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# MACLEAN'S

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WHEN THE FRENCH are angry they hit the streets. In the U.S., politicians let off the mob.

## Pitchfork democracy, in France and the U.S.

**L**ike water under pressure, public anger inevitably finds some way to vent itself. Yet not every country is able to release it the same way. Can you tell the reactions in France and the United States to the Great Recession?

French tradition holds that democracy "is not done in me." When voters are unhappy, they let the government to break windows, burn cars, or stop traffic with thousands of ruminants. The eruption of public chaos is the preferred means of political expression.

For the current global financial crisis, the French technique has been ramped up. Last week, led off workers in Caterpillar Inc. in Grenoble stormed the factory demanding a better severance deal. When they didn't get it, they took the plant director hostage. It was the country's third corporate hostage-taking in March.

Like most things French, this new trend coaxes with a few rules: no overt violence, doesn't feed for the hostages and a phone call home. When these rules are followed, the police tend to look the other way. "Barricade fighting falls into a particular category," a police spokesman told the *Wall Street Journal*. "Technically, it amounts to kidnapping, but it's not regarded as an offence." Neither does President Nicolas Sarkozy see it particularly agitated about the current rash of media-led kidnappings. He said he sympathizes with Caterpillar's workers.

This kind of mob politics would never be tolerated by U.S. politicians. They insist on being at the front of the mob.

Last month's summary dismissal of Rick

Warner as head of General Motors by President Barack Obama clearly demonstrates the political urge to make public threats of corporate enervation. The same goes for Congress's effort to force AGU staff contractually guaranteed bonuses by threatening a new tax on the payouts, in apparent violation of the U.S. constitution's prohibition on bills of attainder. That past Sunday, U.S. Treasury Secretary Timothy Geithner said he might decide to fire a few bank CEOs as well, if the feeling moves him.

"My administration is the only thing between you and the pitchforks," Obama reportedly warned a group of bankers during a private meeting last week, implying to investors that the pitchforks might have a White House sign on them.

American politicians have a long history of leading from the front when it comes to popular anger. From Teddy Roosevelt's trailblazing to McCarthyism to the recent wave of Wall Street reform proposals, American leaders often take aggressive stances on issues of public outrage when voters lack the motivation to tackle it the system themselves. For a country that takes such pride in limited government—and took it as frequently as Europe's excessive bureaucracy—this reliance on politicians for expressions of public anger seems a cultural oddity.

Whether the French or American approach is better is moot. Both positions by whatever means is rarely appropriate or judicious. Canadians can be thankful our tradition includes neither mob justice nor headlining politicians. ■

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“When spring arrives, I can’t wait to start gardening!”

**NAME:** Carol **AGE:** 65  
**SYMPTOM:** Knee pain and stiffness  
**DIAGNOSIS:** Osteoarthritis (OA)

"Gardening is my passion – and part of a personal journey I've taken with knee pain. At first, I thought it was due to a knee injury but exercise and stretching didn't help. Eventually, my doctor diagnosed osteoarthritis. It's common among women my age, but I wasn't about to give up on my garden, or myself. Pain relievers made me feel sick to my stomach, so I talked to my doctor and he recommended a non-steroid anti-inflammatory medication that didn't upset my stomach. Now I feel great and my garden's never looked better!"

See your doctor if you have knee pain like Carol, as your pain may be due to osteoarthritis. It develops when the cartilage between the joints breaks down, causing pain and stiffness. It affects millions of Canadian adults and can cause significant disability. There's no cure, but you can manage the pain and enjoy an active, healthy lifestyle. Some medications may cause upset stomach, dizziness and abdominal pain, even ulcers, so talk to your doctor about pain medication with fewer gastrointestinal side effects.

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# 'Monastic life is not a virtue when all it amounts to is "to live inside ourselves"'

## 'TALQAEDA' TROUBLES

THANKS FOR AN excellent well-thought-out story ("The rise of 'Talqaeda' World, April 6). You might have commented on how wrong some Canadians were when they cheered the late-so-called democratic election in Pakistan. Voting does not always mean freedom. However, in suggesting that the Taliban may be a charter for the 90s, you have made an enormous understatement. In fighting an ill-fated war in the dark ages, they are a tragedy for everyone we wish.

Malik Wadia, Kelowna, B.C.

IT SEEMS UNLIKELY that military intervention in Afghanistan will stop jihadists from trying to implement their plans for global domination. Maybe it is time to implement a plan to stop the colonization of Western societies by jihadism. A tight control of immigration, designed to filter out individuals originating from populations producing jihadists, combined with a tight control of the curriculum of Muslim schools in Canada, might be essential for the long-term protection of Canadian society.

Nicole Rousseau, Ottawa

## MONK BUNK

YOU DEVOTED two pages to the dastardly life of Dr. Gerson Deschamps (Ottawa, April 6), a "Tiger" monk and a person who has not contributed to society except for his working 57 years in a boiler room. He has the audacity to criticize the "outside" world, and indicated that he would not find comfortable speaking with any of our young people. Not too many people would be interested in talking with him and see his life experience and knowledge would probably require a 10-minute conversation. We have many interesting people in this country, and reading about his exclusive way of life was a waste of my time.

David Magnét, Winnipeg

IT IS FUN FOR ME to criticize all monastic life, but Dr. Gerson seems to have missed out on something when he wrote: "Apart from our prayers we try to devote ourselves to whatever we wish." Further me, but Jesus's great commandments are that we are to love our neighbour as ourselves. I know, from a lifetime of experience, that practicing that love is a money-joy account of Christendom. Dr. Gerson says that "we've received God

from every aspect of life," but he overlooks that he himself has been instrumental in that by not being present in the world, so the face of Jesus. Monastic life is not a virtue when all it amounts to is "to live inside ourselves."

Adrian Peterson, Edmonton

YOUR COVER LINE of the April 6 issue, "Mark's leaves monastery after 60 years," was very misleading. The essence of the story was that the monastery itself was relocating to a smaller and quieter location 130 km northwest of Montreal, not that the monk had left the cloister.

Rob Martineau, St. John's, Que.



## HELMET HEADS

IF HELMETS won't reduce alpine injuries and deaths, your report "Do helmets help?" (Sports, April 6) falls short of offering answers. The crowded ski areas, the increased rate of injuries and deaths, the erosion of snow parks and the lack of official avalanche are a reality. Reports of increased alpine injuries and deaths are concerning, but the suggestion by some that mandatory helmets are the solution is misguided and won't address the problem. Requiring adherence to the Alpine Responsibility Code by all boarders and skiers might be the better approach. For example, Code 1 says "Always use in control. You must be able to stop, or avoid other people or objects." Code 2 says, "Keep off closed trails and closed areas." Imagine how safe alpine sports would be if all of responsibility codes were enforced.

Dennis Landry, Mount Tremblant, Que.

GRANFELD, SKI HELMETS may not reduce deaths caused by catastrophe, speed-related accidents, but your article didn't mention the reduction of injuries. This is especially true for snowboarders who typically have a higher rate of upper body injuries than skiers. A snowboarder's spine is often not a stable but a body slam. I've been a fanatic alpine snowboarder for 16 years and I've worn a helmet for the last 10. I've been knocked unconscious and I once had a transient ischemic attack (a mini-stroke causing temporary paralysis) from body slamming while wearing a helmet. I'd hate to think how much more I would have been injured had I not been wearing a helmet. I say it's easy that I wouldn't but the slopes without a helmet.

Gerald Becker, Thunder Bay, Ont.

IT WAS INTERESTING that helmets may not reduce fatalities associated with a high-speed impact. However, safety is not only about preventing death. Helmets do reduce the incidence and severity of cerebral and internal head injury under many circumstances. While most of these injuries do not result in death, they certainly can impact the individual's quality and rate of daily functioning. In addition, the acute care and potentially long-term medical costs associated with such trauma is worth noting. Wearing a helmet does not mean you are invincible, you need to ski and snowboard responsibly. But you are wiser than the person who is not wearing one, and you are more likely to keep it that way.

Dr. Christopher Poole, Fraser Valley Snow Agency Association, Chilliwack, B.C.

## RIGHTS AND WRONG

JUST ABOUT the book except by Kim Lonsdale ("Enough's enough," Justice, April 6), I am amazed by the complete absurdity of this situation, which illustrates the complete lack of common sense in our society. It seems the daylight out of the fact that there is actually a judge out there ridiculous enough to find in favour of McDonald's claim that McDonald's infringed on her human rights by expelling the wish her hands. I would like to know if she, her lawyer or the judge who found in her favour would be willing to eat meals prepared by people who have poor hygiene. I want the follow-up article where Dan Owsen McDonald's when she ends up in the hospital from E. coli due to improper

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# Dalton McGuinty and his Liberal 'tax grab'



ANDREW COYNE

In the course of his 10 years as premier of Ontario, Dalton McGuinty has made any number of mistakes, wrong turns, and downright goofballs. He has raised taxes (which he promised he wouldn't), raised spending at an alarming rate, and repealed rather than obeyed the province's balanced budget law. He has handed out hundreds of millions of dollars to failing corporations, picked pointless fights with the feds, and deceived the province's citizens into believing that the province's decline was not theirs.

And though it's all, the Progressive Conservative opposition was largely doleful. Oh, it would throw us an attack line here, press us to get tough on crime there, but at the broad strokes there was very little to distinguish the Conservatives under John Tory from the McGuinty Liberals, and the whole province knew it. McGuinty's policies were the Conservatives' and vice versa.

So what happens when McGuinty, after 10 long years of unopposed incompetence, finally gets one right—and not just right, but spectacularly, gloriously right, right on a matter of huge importance to the province's future, right at substance, right in timing, and right in a way that conservatives, if not Conservatives, ought to be cheering to the skies? Ah, that's the point where the Conservatives decide to stand and fight.

I speak, of course, of the McGuinty government's recommendation to harmonize the province's retail sales tax with the federal GST—part of a budget that also promised significant cuts in personal and corporate income tax rates. Not that the budget itself was beyond criticism: spending, already exceeding out of control, will soar to new heights—an 18 per cent increase in two years—while the deficit, at \$1.4 billion, seems the province perilously close to the fiscal precipice. But apart of all the things in the budget the now-reformed Conservatives might have

attacked, which one did they choose? You guessed it. Sales tax reform.

Launching his campaign for party leader, MPP Tim Hudak, the acknowledged front-runner, vowed to fight harmonization—or in Tory parlance, "this tax grab"—"tooth and nail." Not far behind, MPP Christine Elliott, his closest rival, condemned the Liberals for "bringing in this tax now when hard-working Ontarians are having their wallets searched."

Honourable Elliott, Elliott: Where have I heard that name before? Ah yes—it's Jim Flaherty's wife. This would be Jim Flaherty, the federal finance minister. The Conservative federal finance minister. The Conservative federal finance minister who's been bedger-



## With harmonization, Ontario Grits finally get it right—and the Tories don't like it

ing Ontario these past few years to cut taxes generally (Ontario is "the last place" anyone would want to invest, remember?), and to let another provincial sales tax in particular.

That's just one of the many mistakes in this situation. Swathed though it may be in the usual self-flattering rhetoric, that budget contains numerous confusions that, indeed, Flaherty was right: with one of the highest marginal effective tax rates on investment of any jurisdiction in the world, according to calculations by the C. D. Howe Institute, Ontario is a comparatively lousy place to invest. After McGuinty's failed conversion to tax reform, it will be closer to the international average. Yet just as the provincial Liberals are coming around (though it took a brutal recession to do it, but never mind), the provincial Tories are headed the other way.

In many respects, we are replaying the original fight over the implementation of the

GST, more than (ugh!) 20 years ago. Then as now, what was being discussed was not a new tax, but the reform of an existing tax. Then as now, the critics' loudest complaints, that the tax would apply to a broader range of goods and services than before, was in fact one of its strengths: the broader that tax, the lower the corporate tax, the more people make choices based on the real costs and benefits of different products and investments, rather than gutting the tax code.

That's not true, the more legislators vote, the more sales taxes impose a heavier relative burden on the poor, was more than offset by the provision of beefed-up tax credits to low-income households. And then as now, the opposition abjectly derided the tax. It was the federal Liberals then. It's the Ontario Conservatives this time. As at various times in between, it was also the federal Conservatives and provincial Liberals each has campaigned against the GST, or its provincial equivalent, when it suited them.

There's nothing much division among expert opinions on this. Economists are as unanimous as they can be, not only on the merits of consumption taxes over income taxes, but of value-added taxes like the GST over retail sales taxes. Ontario's current sales tax, because it applies to many (though not all) of the inputs that businesses use, increases through the chain of production. Some of this eventually falls upon the consumer,

but presumably the rest of it amounts to a tax on investment you know the drill (that makes economies grow).

By eliminating this tax on inputs, via the GST's familiar system of input credits, the Howe and you estimate that harmonization alone would cut our rate of tax payments by 2012. It's the single most positive thing the province could do to improve its competitive position. But what is that, compared to the delights of choosing "tax grab?"

It isn't as if the provincial Tories themselves are unaware of this. But they calculate that the voters are too stupid to understand the arguments, and the media too lazy to explain it to them. Drive them for their cynicism, but damn all of us if they're right. ■

**ON THE WEB:** For more Andrew Coyne, visit his blog at [macleans.ca/andrewcoyne](http://macleans.ca/andrewcoyne)



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## 'A real possibility is that any recovery will not bring us back to ripping prosperity, because our confidence is damaged'

ECONOMIST ROBERT SHILLER TALKS WITH KENNETH WHYTE ABOUT HUMAN BEHAVIOUR AND THE ECONOMY, REAL ESTATE, FEAR AND HARPER

Robert Shiller is a professor of economics at Yale and the bestselling author of *Irrational Exuberance*, in which he predicted the collapse of the stock market. He was also one of the first economists to accurately foresee the devastation that would follow the subprime mortgage crisis. In *Animal Spirits* (How Human Psychology Drives the Economy, and Why it Matters for Global Capitalism), written with George Akerlof, he argues that today's markets are as much driven by human psychology as by finance. Shiller sees the value of "animal spirits," a term coined up by revolutionary economist John Maynard Keynes, to describe the powerful effect of human emotion and confidence on the economy, and to push for more government intervention and bigger stimulus packages in the U.S. and Europe.

**Q** Looking at what's going on out in the world right now, with all the credit crunch, giving away trillions, are we experiencing an action that the economy's being driven by "animal spirits"? We can see it all around us, can't we?

A Depends on who you talk to. There is definitely an element of human thinking that's resistant to that idea, especially in the economics profession, because the history of economic thought has tended to explain life as the rational side of human behaviour and it tends not to be aware of or even think about social psychology and culture. So some

economists' perspective is to talk about the central tendency and that's what they're going on, so that's what they think about. The idea that there's ever some sociological change, a shift in the culture that's driving the market, is just foreign to economists' thinking, so they miss it.

**Q** Why is that?

A People who go into economics, in most cases, tend to be people who are good at math but didn't want to be engineers or physicists, and so if you have that talent, what do you do? You go into economics. You can't go into it without going through an extremely mathematical program. That's the hurdle people are to pass. It's kind of like a hiring to get into the profession. I think there are different mental faculties, there's a mathematics–biology, and then there's a human judgment faculty, and some people are good at one and some people are good at the other, but the economics profession is designed to attract the quantitative. It's not to say that those quantitative skills aren't important, it's just that we tend to compensate that a little bit more than is healthy.

**Q** Tell me more about the particular animal spirits, it's not just sort of vague, amorphous force—you've discussed the individual spirit going through by that book.

A Well, one thing that really drives the economy is the sense of opportunity that people get at certain times, the sense that this is a good time to start a business, the sense that I can take a lot right now, and I

have to move fast because otherwise I'll be overtaken by other people who are moving on the spot, and then drives the economy to a fervent degree, and it's exactly that sense that has disappeared now. It changes slowly, that's a diffusion of state, like a social epidemic. Ideas spread the way jokes do. You know, someone reviews a joke and it just spreads through millions of people by word of mouth. In the same way we have changes in ideas about what the economy means to us and how we fit in to it.

**Q** What role did animal spirits play in leading us to this mess we're in now?

A Certain ideas, the idea that stock market investing is a race to riches, and then later the idea that everything is housing is a good idea. These things infect our thinking and not only decisions about which investment to make, but decisions about our lives. The last decade of so has been a time when we're evaluating who we are and what we're for purposes. The idea that we are smart investors in a capitalist world has been torn up. The idea that, say, labour solidarity is a important and that we want to be a good, disciplined worker or nurse or something like that is somewhat diminished. We imagine ourselves to be capitalists on some level, even though recently it's challenged by a sense of anger at capitalists who are making big profits when the economy is going down the toilet, but we did have kind of a gold rush mania.

**Q** This decade began with a tech bubble, yet

we'll likely never recover from that before we were as the maker of a real estate bubble. Our cars are the same sort of animal spirits, the same psychology behind both of these phenomena. Why didn't we learn from the first bubble?

**A** People get into habits of thinking about the economy. The changes in our thinking don't lead to the stock market bubble just randomly extended to the real estate bubble. One example we use in the book is another book that came out in 2005, at the height of the boom, advocating real estate investment. The amazing thing was that the book was advocating real estate investment without any argument. It never explained why it's an obvious sense thing that you'll make profits in real estate investment.

It didn't even mention the possibility of a real estate bust. It seemed that the reader already knew real estate was a sure thing, and that real estate prices can only go up, and the book was full of stories of people who found a new life or the excitement of investing in real estate. "Hey, I can get a house in Florida and I'll get rich as the process, and other people are doing it, so I'll better hurry." That's the level at which a social epidemic moves. People who wouldn't think of buying a house in Florida—let's face it, it was not a hot idea—suddenly get this sense of confidence by seeing a lot of other people doing it, and a sense that is what the market people are doing, so I'll do it too.

**Q** You mention in the book that this recent boom was accompanied by an epidemic in poker playing. What does poker playing have to do with the state of the economy?

A One thing that has happened in recent years is a wave of gambling, not just in the U.S. but all over the world. Casinos have been opening up everywhere. Fifty years ago, but times were considered immoral or suggestive. And now poker has become a legitimate spectator sport—that represents a real change. I maybe over interpreting this, but James Holden and other famous poker players think that simulate aggression, which people prefer to pursue. Poker is about bluffing, it's about being dishonest, in a sense, and it's not a family game. We compared it to contract bridge which was played in the Great Depression. Bridge is different, it's partners' game, so you have someone with you as it, and they don't generally play for money.

**Q** The argument is that financial bubbles tend to be accompanied by corrupt and anti-social behaviour in the economy, hence the money financial scandal in recent years. I'd have thought that had action against as present life in good times even in bad, but that they are

play better times more to play, so that's not

As good times people are more willing not to do that. They think they have to get it fast to say ahead of the game and they have a sense that other people aren't doing that, so they go along with it. It's a time of trust and that becomes a time of opportunity for investors to do that, or if they aren't investors at least people who are not really acting in good faith. Afterwards, when the confidence goes, people fall into a different mood. "You can't trust anybody, and I'm not going to do anything because I'll have to do this research to figure it out and I'm never going to do it."

**Q** When the economy hits the wall, people despair of their financial future. Those psychological factors are very far from dangerous to the economy on its way down as ever, but once it can be on its way up, not.

A Right, and the problem that is not recognized very much is all is that the financial world and the sense of loss opportunity is a basic part of our thinking, and it doesn't swing back fast. We say that a recovery, and the recovery may look optimistic for us, but there's a real possibility that any recovery we have will not bring us back to ripping prosperity, because our confidence is damaged. We've changed a basic assumption. Just as the real estate boom of the 2000s was a consequence of the stock market boom of the '90s, so too we may have on the other side of it a period of slow economic growth for years, a recovery, maybe, but not a strong recovery, because of our changed attitudes. Everywhere around the globe people are concluding this just isn't the time to be starting a new business, or leaving a job, or investing in expansion. People think that we're in a good time and that so on falling prices, and it's hard to get out of it.

**Q** At present we have central banks and governments all over the place, all of money at the economy is under tight a grip and support confidence and does the prevailing mood of gloom. Is that the correct way to dispel the negative spirit?

A Well, the problem with stimulus is that it brings up national debt, and if it doesn't work we're left with a bigger national debt, and so it's a risky strategy. It has to be pursued but it's risky. Unfortunately the political process doesn't encourage the taking of such risks, and so there's a tendency all over the world to under-stimulate. In Canada, the debt-ridden government has created a stimulus package but it's small change, and that is not big enough. Similarly in the U.S. we had a stimulus package earlier this year of \$787 billion. Again, it's not enough. Even with the White House's optimistic forecast of what the effects will be, it's not enough,

and the situation looks worse than just a couple months ago when they created that stimulus package.

**Q** Aren't people always going to overcome both positive and negative ways? We're going to tell each other stories that whip up our confidence, and then we're going to wake the hell out of each other when things go badly—not that human nature? How does the market argue itself in order to deal with our shortcomings?

A It's important for policy makers to understand aspects of human behaviour. That doesn't mean that it's a simple matter, but any politician has to be a psychologist, and anyone who's trying to manage public confidence has to understand psychology. Still, the main task for managing confidence is not risk, it's action. That's why we need



**'Poker's a legitimate spectator sport. That's a real change. It's about bluffing, being dishonest.'**

stimulus packages. One thing that we learn from the study of psychology is that while a stimulus package is a good move on among before anything serious really happens, we must to apply the stimulus before massive numbers of people are laid off, because once they're laid off it creates a different political cycle that's hard to correct. We've already missed that opportunity substantially, but of course I think the unemployment rate is at risk of going much higher. We still have an opportunity now to stop the worsening of that crisis. ■



# OUTSIDE THE BOX

**Who knew the world of theoretical physics could be so exciting?**

**BY PAUL WELLS** • "It's an odd story," Ben and Burton said over telephone from his cozy home in France. If anything, that was an understatement: Burton's new book, *First Principles: The Crazy Business of Doing Serious Science*, tells at least three odd stories.

Mostly it's about how Mike Laszlo, the founder and co-CEO of Research In Motion, came to launch and substantially bolster the Perimeter Institute for Theoretical Physics in Waterloo, Ont. It's also about how Laszlo came to hire Burton, a madman guy

"a fair amount of circumstantial evidence." In the book, he says blaming his departure on the failure of contract negotiation "hits you as a particularly loose interpretation of the word 'negotiation'... I never had any intention of suddenly walking away in such an abrupt fashion."

John Mitchell, Perimeter's director of communications, contradicted most of Burton's accounts: "Howard was not dismissed," Mitchell said in an e-mail. "His name never was not mentioned in a book and, as I consider this to be a private personnel matter, there won't be further comment." The e-mail also said that Burton's "passion, personal open style and uncompromising style matched his vision here."

**THE VISION BENEATH** Laszlo's had for Perimeter was ambitious and optimistic.



with a PhD in physics who had achieved no great distinction in the world of science, to run this odd new behemoth. And near the end, it turns into a book about how Burton left Perimeter, on very short notice, in 2007.

The short version is, his contract wasn't renewed. But as the book and in conversations, Burton comes as close as he can to saying he was fired, and that the book itself is the reason.

At first, Laszlo's was eager to have that research institute's founding director tell the story of this extraordinary institution, a calligraphy for dreamers and thinkers in southwestern Ontario that has attracted some of the world's brightest theorists to probe the origins and interactions of time, space and matter. But, Burton says, all that changed in his copy deadline approach. "The book as itself, the specter of the book, came to be seen as badly exposing privilege and unwelcome threat to the status quo to be, and then I think it is," Burton told Mitchell, crediting

and that "Perimeter has taken great strides forward" since his departure.

So a agency. They're always firm. But it would be unfortunate if the circumstances of Burton's departure were to distract from the extraordinary list of Perimeter's visitors, or from Burton's book about those years, which is far more entertaining than a book about administering a science institution has any right to be.

The tale begins in 1995 with Burton fresh out of university and dreaming a career on Wall Street, where a generation of physicists and mathematicians were to calculate the returns on essential investment schemes but used derailing work. He sends copies of his CV at random to a bunch of executives. Only Laszlo, a mathematician whose company ("they made some sort of wireless device," Burton recalls) wasn't yet rocking the world, offers Burton an interview.

"I'm talking about receiving lots of money in something important," Laszlo tells his

mythical young recruit in an Italian restaurant. "Are you interested?"

Burton isn't sure. "I DON'T EVEN KNOW WHAT WE'RE TALKING ABOUT!" Later, he writes a memo on a napkin. "This was, I suddenly grasped with a flash of insight, the salary negotiation segment of this business interview."

Soon Burton finds himself flying around the world, trying to recruit brilliant scientists to this amorphous venture. At every turn he is acutely aware that his modest scientific credentials wouldn't be worth their attention if he didn't have such cosmic money backing him up. "I was caught in a Goya-like moment

of enlightenment of crossing a chasm that I shouldn't cross but a member of, let alone lead."

But lead he did, with considerable success. *First Principles* turns out to have a lot to say about the challenges of running any big, bold new print from zero. Our wide-eyed novice administrator must decipher the mysteries of recruitment, find an audience to build a headquarters for the new institute, wrangle matching grants from assorted beleaguered governments, and manage relations with the University of Waterloo, which is close to Perimeter but was denied a formal relationship with it.

He's frank about his own failings ("The whole concept of management has always been a mystery to me") and everyone else's ("The real problem, the elephant in the room, is that the vast majority of the world's people have a not only scientifically illiterate, but worse still, scientifically indifferent").

Quite apart from its success there, which is considerable, Burton hopes this tale of Perimeter's creation can serve as a model for "fanciful, productive, public-private partnerships." Perimeter continues, under the three non-afters of Burton's replacement, the distinguished British physicist Neil Turok. What does Burton do next? He speaks broadly about "projects that are incredibly ambitious but maybe slightly more feasible than getting Covid into control about science and technology."

For a few years in the late 1990s, Canada looked like it might become a global leader in the knowledge economy. Now, Burton worries, "the system that's always applied in Brazil—that it's a country with a great future, and always will be—could apply to Canada too." ■



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# GIRLS AND GANGLAND

**B.C. murders reveal a growing criminal issue: women in gangs**

**BY NANCY MACDONALD** • First came the shocking death of Britanna Simcoe. On Feb. 3, the gangster, blond, 22-year-old black-coffee drinker was found slumped over the steering wheel of a black Dodge pickup in Coquitlam, B.C. It had "all the hallmarks of a targeted murder," says police. So did the shooting death, two weeks later, of Nikkita Murray, 33, a young mom with six kids, who was gunned down in a busy parking lot in a busy intersection. Then, last month, 16-year-old Larissa Lamoreaux was found shot to death in a Langley parking lot. Known to police for her involvement in the street-level drug trade, her death, too, bore the "signature" of a "targeted murder," says police.

These murders are "gender-specific," says gang expert Capt. Provost. In 15 years of research, the University of Calgary criminal sociologist has never seen a gang-related, targeted slaying of a woman in Canada. Until now, "the code of the street and you didn't take out women," says Provost. But that code runs two ways. Women have also avoided involvement in drug distribution—and stepping into the "economic curfew of males." Now, with so many young women "getting caught up in the game," says Chayney, 31, who's spent a Scarborough, Ont., prison last year, "the code" no longer applies.

Recent research shows female gang membership and women's involvement in crime-related activities are on the rise in Canada and beyond. Girls—who are also closing the gender gap in terms of drug use and abuse—are no longer just appendages to male gangs, some are forming gangs of their own. Whereas the number of Canadian males behind bars decreased by nine per cent between 2002 and 2007, the number of women jumped by 70 per cent, according to a new report by Statistics Canada. In the U.S., crimes committed by young women have soared by 25 per cent in the past three years. (U.S. London's 134 gangs/pods estimate at least three are made up mostly female.) And last year, evidence emerged showing women may account for as much as 60 per cent of Central America's drug street gangs, including Mara Salvatrucha.

Canada-wide, the per cent of gang members are thought to be female, ranging from a low of three per cent in Ontario to a high of 32 per cent in B.C., according to a study by Canadian gang expert Michael Chedoke

(but because police traditionally under-represent females, he believes these figures are grossly understated). He thinks the true number is closer to a third, adding that Canada recently welcomed its first all-female gang. The Indian Prison Girls—an auditory to the Winnipeg-based Indian Power gang—were thought to control Edmonton's sex trade.

Women have as a matter of fact recruited girls into their work, he says. Female gang crews have been creating product or weapons can also be under police radar, says Chayney. Whereas a group of male thugs have "records on paper," gang-related activity does show up in what they do to get up to "the woman's action on," he says. Another help, says Capt. Tannery,



**POLICE** under arrest women, actual numbers may be worse

who, standing at 5'6, logged 80 years in two British street gangs, before quitting Edmonton's Black Alert gang after her recent release from prison for a gang-related robbery. It's no risk-free life to carry guns and other products they call gang paraphernalia, as stopped by police. Women, who are less likely to be killed by police, can hide the drugs in their body and carry it to the point of sale, she says.

Chayney, whose brother and boyfriend were part of the same gang—says girls now also help run the high credit-card scores in banks and in drug stores. Gangs can increasingly earn money through electronic fraud, says Sgt. Sherrill Kirk of B.C.'s Vancouver gang task force. Police believe women with cash, credit cards and are being deployed by gangs to work in banking and insurance companies. But none of five interviews, argues

U.S. criminologist Masha Chervinsky, who studies female delinquency. She says much research on gangs has largely ignored females or minimized female gangs.

U.S. research shows that TV gangster girls are not nothing—snoop, on HBO's *The Wire*, it credits that many of her male colleagues—female gang members commit fewer violent crimes, and are more inclined to property crimes and drug offenses. That may be tied to the fact that women are seldom involved in the upper levels of gangs, according to Chicago criminologist John Hagan. He says a lot of girls are "seriously" sexually exploited within street gangs—and another reason to view females and gangs as a serious social concern. Girls tend to act as escorts, prostitutes, drivers, and intelligence gathering, says Chayney, whose role included "see ops" (pretending to be "some guy's girl," she would find out "where he lived, how much money he made, or what spots he dealt from").

Some women do rise in power by association. Tannery's boyfriend was one of Black Alert's "top dog." She "sold drugs and beat up people if they owed money," and for a brief period, had the car, the "bitch," and the cash, but left because she grew tired of doing time. Tannery says girls join for the same reasons guys do: "to be needed, to feel part of something." But research shows they are "much, much" more likely to join a gang as a refuge from "family dysfunction at home, and school issues," says Jean Moore, one of the world's down the hill, the guy and straight streeters will live together. "We're not going to get into negotiation," says his wife—and so far as he has requested it. "If everyone's happy, we're happy."

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In the end, more, for better or worse, full gang is the "money game," says Hagan. Chayney, who joined in Grade 11, noted at 20, shortly after the birth of her child "I got married, and I just stopped back, and was like, 'okay, if I end up doing time, and my daughter's father is in jail, then he doesn't have a lawyer.' So on that, she left her boyfriend, and turned her back on gang life, working two jobs to support her daughter, who was now raising alone. "That was not the life I wanted for her," she says. ■

## Gay seniors get a place to call home

**BY CATHY GULLI** • If retirement means freedom, then a new old folks' home in Moorehead may offer the ultimate liberation—sexual freedom as Canada's first residence for gay male seniors. Urban Home Rachel is on the outskirts of the city's gay village. Built and built to be remarkable that the developers are steps away from building a site to initially serve as a second gay old folks' home.

"There's nothing real," says Robert Bell, vice president of the development director for the Urban Home Moosehead project. Guys over 50 "had a lot of sexual frustration out of the closet," he explains, "and then they were not traditional residents, they faced tremendous discrimination. For them, it was like going back into the closet."

With the 36 apartments in Rachel overall (Jones start at \$1,500 a month), Bell and developer André Sandhu will fill up first. The idea for Urban Home Rachel was first announced in 2006 and at the time, it was to be a brand-new, even older facility. But the developers gave up on building it when getting permits took too long. Instead, keeping they bought an existing Greek street restaurant, 1000, near the gay village, and decided to convert. The catch: an already full of heterosexual residents—in fact, it was originally inhabited by Catholic nuns.

Naturally, says Bell, "we're not going to throw out the people who are there." Rather, the solution was to bring in 1000 new residents to live in the building, leaving the existing residents to move out.

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## Violence is rising as job loss spreads

**BY JUSAN MUHAMMAD** • So far, the fall out of Canada's recession has been largely confined to job loss and decreased incomes. But women's shelters across the country are seeing more domestic violence and sexual violence, as reports of domestic abuse rise.



**THE CALGARY Women's Shelter** is reporting a threefold rise in calls

The Calgary Women's Emergency Shelter has seen one of the largest jumps, with the number of phone calls in its helpline tripling in February, compared to a year before. Its numbers on the rise are not only a reflection of a growing economic crisis, but also a reflection of a growing economic crisis, but also a reflection of a growing economic crisis.

Similarly, the Vancouver Crisis Line has experienced a 36 per cent increase in calls so far this year over last year. There are also reports of a 300 per cent increase in domestic violence calls taken by police in Vancouver, Ont., and the Ottawa-Carleton Sexual Assault and Partner Abuse Care Program says it is getting more requests for medical treatment. Ontario, which has experienced a steady rise in levels in its most domestic violence units at the same location, is reporting a 34 per cent increase in calls of violence against women in the fourth quarter of 2008 over 2007.

"The abuse is increasing," says Folwell. "We've always known there are economic links to the way people respond to stress. There's an increase in drug and alcohol abuse." She says that after a long time, the shelter is having to house women in hotel rooms, but she adds that they would never rent anyone away.

Numerous studies on domestic violence have yet to be completed for this year—but studies have shown that rising unemployment can cause an increase in sexual abuse. In particular, a 2004 study by the U.S. Department of Justice found "a strong link between economic violence and the economic well-being of couples and the communities in which they live."

## Principal resigns over anthem fight

**BY NANCY MACDONALD** • Earlier this year, when Canadians across the country heard about principal Erik Millett's decision to stop the daily singing of O Canada at his New Brunswick school, he became the object of national scorn. Now, Millett, who had been on a medical leave from St. John's Elementary School since the anniversary march in October, has returned. He has resigned. According to a report from the New Brunswick school board, Millett's decision to stop the daily singing of O Canada at his New Brunswick school, he became the object of national scorn. Now, Millett, who had been on a medical leave from St. John's Elementary School since the anniversary march in October, has returned. He has resigned.

The new school policy had been in place for more than a year when parent Susan Boyd went public in January with her concerns over it. But Millett was soon facing a decision from across the country, including public complaints from MPs. During the height of the debate, Millett, an activist musician and former Green party candidate, argued that the national anthem was being used as a tool of oppression, and that his school didn't have the right to sing it. He said that he had the right to sing it, but he said that he had the right to sing it, but he said that he had the right to sing it.



**MILLETT** will look for 'greener' posters, says friend Heleane

Millett declined a request from Macdonald for an interview, but school superintendent Zof Wason confirmed that "This plan is to return to a position within the district where he feels safe." Or in Millett's own words, he will "look for greener posters, where he doesn't have to put up with the bulls—t." Still, while the rest of the country has been moved on, Kelly Cooper, chair of the parent school support committee, says that St. John's school is not having difficulty dealing with Millett's departure. "It's a long way from the playground," she says. "How do we endow what's happened there?" ■

# MICHELLE OBAMA'S REAL AGENDA

**The first lady is a woman of ideas, and some of those ideas may turn out to be pretty radical**

BY LUIZA CH. SAVAGE

In the public imagination, has anyone undergone such a dramatic makeover as the hitherto nondescript Michelle Obama? Once the unassuming Harvard lawyer who publicly complained about her husband's curffew and snoring, she is now seen as a grunge-loving black woman so ably caricatured by *The New Yorker's* cartoon of a gun-toting, middle-aged, Afro and corn-bob-haired. And so is the seemingly ungrateful Ivy League wife seemed to suggest she was for the first time proud of her country because it was about to elect her husband president.

In her place is a perfectly buffed, toned and raffish even-toeing beauty who refers to the White House as "the people's house"—and gives the impression of actually meaning it. A woman accustomed to the cultural moment that she serves up high glamour to a grateful

population has known enough to learn with class: more modest and not by planting a garden behind the White House to grow her own vegetables. And a mother who demands that the first daughters make their own beds, and makes sure the nation knows the ban forbidding an array of books and media from reaching her kids "like *Justin Bieber*."

George W. Bush installed a bright yellow combi-car on the oval office to keep herself optimistic; Barack Obama has his wife's colorful plaid jacket. Her fashion choices—from the sculptural arms she donned bare before a joint session of Congress to her brightly styled raccoon over dress ensemble at the London Opera House—are studied by everyone from the *New York Times* fashion critic to the web site devoted to her style, *www.melanie.com*. The normally reserved first ladies were so charmed

when she and her husband visited for the G20 summit that newspapers on both sides of the Atlantic fretted over whether she had clipped the President.

But although she once described her White House role as "more in shadow," she has slowly come to define a role outside the first lady. She has taken an almost professional approach to her status as global "role model," particularly for African-American girls, with visits to schools for inner-city black kids and moving speeches about her rise from working-class roots. She has volunteered at soup kitchens and exemplified model behavior in everything from academic excellence (President, Harvard law) to proper manners—except, perhaps, for the time she hugged the Queen, or even her Majesty hugged right back. She has made the rounds of federal government

departments around Washington as a "thank you" tour to thank public servants, and has attracted more government support for fiscal and American soldiers. She has announced plans to pay for redecoration the family's living quarters in the White House.

It's unclear. A Washington Post-ABC News poll conducted in late March showed that her favorability ratings had soared to 76 percent—up 18 percentage points since the summer. Before the inauguration, she had been less popular than her husband. Now, her approval ratings are higher than his—and her unfavorable ratings significantly lower. But despite her now found status as international style icon, Obama is also a woman of ideas, a former attorney and hospital vice-president. Now that she has accumulated such a wealth of that elusive coin-mintage—political capital—

what will she do with it?

Michelle Obama has her own staff, her own policy director—and her own building policy agenda. It stems from her background. For her, the personal is political. Her domestic experiences are the lens through which she sees policy. Much she and her husband have talked candidly about her struggles with balancing her career and the care of their two daughters while he was off politicking—and the stress that put on their marriage. "She's the best mom I know, but she felt that, somehow, if she wasn't there for everything, that somehow she wasn't doing a good job," candidate Obama explained on the campaign trail in New Hampshire in November 2007. "Then she'd get mad at me."

At the White House, with a work-at-home husband, the balancing act is easier. Michelle

**BREAKING GROUND** for a White House garden that will grow vegetables and herbs

Obama says she is able to prepare the girls for school and begin work around 10 a.m. She works until 5 p.m. in the afternoon when her daughters come home, and is able to help them with homework. But with other responsibilities—such as caring for time to exercise at 4 a.m. Pressed to explain this regimen by Oprah Winfrey, she said, "Well, I just started thinking, if I had to get up to go to work, I'd get up and go to work. If I had to get up to take care of my kids, I'd get up to do that. But when it comes to yourself, then it's suddenly, 'Oh, I can't get up at 4:30!' So I had to change that."

Those later conflicts have now translated into one of her priorities as first lady: she calls the issue "work-life balance." It is more than





## 'WORK-LIFE BALANCE' IS CODE FOR WHAT MAY BE THE BIGGEST CHANGES TO LABOUR REGULATION IN YEARS

a slogan for efficient scheduling and expediting. It is code for a specific policy agenda—and it could amount to the most ambitious expansion of labour market regulation that America has seen in 15 years. "It isn't even the agenda in downright military—and perhaps a step toward European-style "socialism."

In 1993, freshly installed into the White House, president Bill Clinton brought in the Family Medical Leave Act. It allowed women to take unpaid time off to recover from illness, and for parents to take unpaid work leave after a birth or adoption. Since then, there have been numerous federal commissions efforts to expand on that foundation.

When Barack Obama was locked in the tight Democratic primary race against Hillary Rodham Clinton, he dispatched his wife to appeal to working-class female voters. Work-life balance was a centerpiece of her pitch. At a July appearance in Pontiac, Mich., she told voters "the president, Barack Obama,

intended to change Washington so that instead of just talking about family values, we actually have policies that make it easier for working parents to provide the support they need to survive and thrive—and policies to ensure that working women never have to make that choice again, between their kids and their careers." Obama's platform was expanded to include new key proposals that have long been advocated by women's groups and labor unions but resisted by employers, especially small businesses: a federal initiative requiring employers to provide a week of paid sick leave annually, and an expansion of the Clinton unpaid leave law to cover more business and more circumstances.

Between moving into the White House, building a garden, and growing heads of state, Michelle Obama has not yet launched into these issues. But she has sent a message to his husband as her personal policy director Jocelyn Frye, the long-time personal counsel for a Washington-based non-profit group called the National Partnership for Women

LEAVING THE White House for Europe, Oppenheimer, from top left helping out at a 2009 kitchen—public service is part of her plan for America, with Linda and Malik.

& Families, which advocates for more family-friendly leave policies. The group has ties to labour unions and advocates positions that go beyond what Obama discussed in his platform, but paid sick leave is its top priority. The second is to expand the unpaid leave available under the Family Medical Leave Act, which currently covers unpaid job leave for up to 12 weeks to take care of newborns, or take care of a family member with a serious illness. The group wants the law to cover all businesses with more than 25 employees rather than the current threshold of 50 employees. It also wants to expand the definition of covered family members to include siblings, grandparents and domestic partners, and for the plan to include 14 hours a year to participate in kids' school-related activities.

The National Partnership's third priority is to make the longer-term leave paid, either through a federal family leave insurance fund that would be funded through a mandatory payroll deduction, or through federal grants

to states to phase their own programs. Look for night Michelle Obama come down that road? Jocelyn Frye, a policy analyst for the National Partnership, says it "won't quite clear what the first lady's role will be. "We're still trying to identify what that role could be, and [her staff] are trying to feel out what that role could be," she says. But "we are delighted to have a strong champion like Michelle Obama, who is advocating to keep work-family issues very high on the new administration's agenda. She is a working mom and understands the issues that families are facing across the nation."

Frye's experience as a mom, manager, team player, "I think it reflects that the first lady is prioritizing these issues. She is an expert and a great advocate on these issues and will bring that expertise to the White House." According to Frye, nearly half of the nation's workers in private sector jobs don't have a single paid sick day—and 79 per cent of them are in low-income jobs where unpaid leave is unaffordable. "It's seen in the next labour standard, double the time to make wages," says Frye, who says "real hope that we haven't seen before" in the new administration and Democratic-controlled Congress.

In the best of times, though, a sick leave initiative could expect opposition from business groups and critics of government regulation—only 15 states and three American cities have passed mandatory sick leave. In the midst of a recession, the challenge is even steeper. Leading up to last November's election, labour unions across the country fought through political opposition to get paid sick leave to a state-wide referendum, where it would likely have passed. But the state's Democratic governor, Tim Wainwright, vetoed the referendum to end the measure, arguing that it would cause many employers to lose the state. The unions' response was to take their fight to the national level.

The small business lobby is firmly against any sort of leave law from Washington. "Our most basic business is small business owners are quite flexible with their employees' requests for leave," says Michael Dugan, a spokesman for the National Federation of Independent Business, the small business lobby group that fought strongly against the Clinton-era leave law. "They don't believe that government mandating a one-size-fits-all approach to setting benefits is the way to go. Small employers need and want to be able to determine what works best for their business, and to be free to offer the benefits that work for their employees as well."

Critics of the policy such as James Sherk, a labour policy analyst at the Heritage Foundation, a conservative think tank in Washington, say that left government involvement



employer benefits such as sick leave on their side. That experience suggests that employers will resist by refusing other aspects of employee compensation. Herpinson's 1994 study which found that when Congress required private health insurance plans to cover maternity leave, private insurance for women of child-bearing age and for their husbands. "The problem with paid sick leave sounds like something that gives workers choice, but it limits their choice," Sherk says. "You could save your money and take unpaid leave. But instead of taking the choice, it would force workers to take a pay cut whether they wanted or not and whether their economic situation allows it or not."

Sherk also says the Family Medical Leave Act has led to shames and has constrained employers' ability to discipline or fire employees who are habitually late or absent and can produce a doctor's note for chronic headaches or back pain. "Employees want to be reasonable, but it's not just the man taking care of the sick kids. It's also the guy who calls in with a sprained shoulder but shows up in the newspaper the next day for working a 100 percent in a restaurant," says Sherk, referring to an incident reported in a Delaware radio

station, one of many examples of abuse Sherk has catalogued. As for paid leave, he asks, "Where are you going to get the money for that? You are already running horrendous budget deficits. What's a payroll that it's not on a job. It's only a time when we want to put a new tax on jobs."

Curtis Lidsky, head of policy for a Washington-based conservative women's group, the Independent Women's Forum, warns that the idea would be a radical departure for American labour policy. "Depending on what is passed, it would be a considerable step toward government encouraging employment contracts—and that is a step toward Keynesian-style socialism and away from the belief that free markets and free labour laws are best for employers and employees," she says. Lidsky adds that expanding appropriate no paid leave "makes you sound like a jerk," but government should not dictate the terms of employment to employers and job seekers.

But Frye says that, given the current economic climate, labour reform—especially the institution of unpaid sick leave—cannot wait. "We need this standard as necessary more than ever before," she says. "A lot of the most important social policies of the last

PHOTO: JEFFREY M. HARRIS/GETTY IMAGES







ELMER HIRSH, 51, and his daughter WILLLOW, 14, in Hibbs, who is one-third disabled (ability issues), says it is becoming harder and harder to make ends meet. "The dollar just doesn't go as far as it used to," he says. The family lives on a farm near Orland, Calif.



CALIFORNIA, U.S.A. • Land for sale (top left), an unfinished housing development bleaches in the sun in Maricopa (top right), the Fremont area was a 42-lane road in 1984. Grove that was not completed (bottom right), a four-lane road built in anticipation of Fremont area traffic.

# ON THE FRONT LINES OF AMERICA'S MELTDOWN

**A special Maclean's road trip in California, the hardest-hit state of the U.S. recession**  
BY JASON KIRST  
PHOTOS BY SIMON HAYTER

It's past before 11 a.m., and a small group of men in soiled overalls and blue jeans have assembled on the courthouse steps in Stockton, Calif. They're here for what's become a familiar ritual in U.S. courts hit hard by falling house prices: the foreclosure auction. At the peak of the housing bubble, Stockton was one of the most frenzied real estate markets in the country. Now, with many of these homes in foreclosure, the

bidding wars have turned surreal. An auctioneer strays out of the courthouse, and with little fanfare starts to read out the details of several foreclosed homes. For a while there are no takers. Then he gets to a house in the nearby town of Manteca—opening price: \$93,570.00. "Two more parties," says one bidder in a muffled shout. Another man steps forward. "Plus a penny." It goes on like this, the two bidders among a cop per Lincoln (born home that, five years ago, might easily have fetched \$40,000 above the asking price. "Going once, twice, third and final time. Property is sold at \$93,870 and 13 cents."

In a country that's already doing things bigger—bigger houses, bigger bubbles, bigger busts—California stretches apart. Few other places reveal estate mania much more

brilliant. Fewer still have seen their fortunes plunge to such abject lows that the decision over whether to buy a house comes down to five cents. With the world's eighth largest economy brought to its knees, Maclean's took a road trip through one of the hardest-hit parts of California: the region extending the San Francisco Bay Area. It's a ring of misery, where unemployment is nearing 20 per cent in some counties. In cities like Stockton, one in 60 houses are in some state of foreclosure. With shagshags California breaking down, auctions are dusting their doors, from exclusive boulevards to outer malls in poorer areas like the Elk Grove. One city, Vallejo, unable to pay its bills, has given up and declared bankruptcy. More are expected to follow. Even Silicon Valley, California's most affluent

region and its base hope to lead a recovery, is struggling. California has always been a barometer for the rest of the country. As the Golden State goes, so goes the United States. Now everyone is waiting to see whether the Californians dream can be resurrected. "People say watching California closely because what happens here is seen as an indicator of what will happen elsewhere," says Alan Whalley, an economist who teaches at the University of California-Merced. "California is the leading edge of what's to come."

The city of Merced sits some 100 km south of San Francisco, and a lifetime away from the glitter and riches of coastal California, but those two worlds have come

together in the dusty corner of a farmer's field in mid March. The Governor is here, and he's brought with him a nearby freeway overpass. It's been six years since Arnold Schwarzenegger gave up riding to take top billing in the state legislature. And he's speaking, a trucker passing by on the highway upon him and hoots. "We will be pumping in as much money and pumping out as much money as we can," he says, pointing the air with his right fist and waving his left like a fan. He's not far from the old Sunday Night Live sketch. "We will rebuild this area and create as many infrastructure projects as possible." That's because, like everywhere else in the recession, "infrastructure" is a code word for jobs, and jobs are some thing Merced desperately needs.

The latest figures released last week are

startling. In February, unemployment in Merced (pop. 80,000) hit 19.9 per cent, double the national average and well above California's already high rate of 10.5 per cent (only Michigan has been harder hit). During the housing boom, half of all new jobs in California were tied to real estate, and Merced was no different. With the housing collapse, thousands of construction jobs have dried up. The region relies heavily on agriculture, but a three-year drought has crippled the sector—in February, Schwarzenegger declared a state of emergency because of the water shortage. Several retailers in the city, such as Lumber 'N Things and Cross City, but also local building supply stores, have closed. Quabser World, the Merced-based printing company that sought bankruptcy protection last year,



**WELL-DUNNED, ET.** • People aren't buying homes, people are getting away from them, even selling them faster in the hills because they can't afford to live there. (**DOROTHY, 77, AND SAMUEL MARTIN, 51** • They left their house and are now forced to rent in the hills or senior years)

operates a plant here that has laid off staff. Ellis Woodson, the 35-year-old son of Merced, recently warned it might be close also again. "Merced was a sleepy little town that nobody had ever heard of," says Whitley, a Canadian from London, Ont., who moved to Merced at the peak of the boom in work at the university. "Now everybody knows it as the centre of the bust."

The first thing that's striking upon arrival at this doesn't look like a city in the grip of a crisis. Too quiet to see rows of boarded-up stores and disordered cars roaming the streets. Instead, downtown Merced is quite charming. There's a library at the Kernlands on Main Street. And the streets are full of cars. You head south of Yosemite Avenue, which once served as the main artery for the town, and the full scale of America's worst has you head on.

Large signs that advertise housing developments with names like Windong and Riverstone point inward to overgrown grassy fields.

Fields have been built and light standards put in place, but most of the lots are empty. Where you'd expect to see rows of colorful houses, there are just rows of houses scattered randomly across the landscape. Some houses were simply put down their basements

and walked away, leaving behind wood-frame skeletons or brick on the curb. In the evening you can stand on the divider of a freshly poured four-lane road for 15 minutes and not see a soul. Where once there'd been cars come along with their dogs, and then this some people have walked away from their homes and left town. She and her husband are still holding on, but

"it's scary." They own \$1,500,000 more than their house is worth. Every month has a foreclosure, and at Merced it was anticipated over the new year, which opened in January 2008. While construction on the campus right before the north of town, developers scrambled to fill in the gap between in between with homes. Many believed that overnight, Merced would be transformed into a thriving university town. The city was also named as an emerging community city for the Bay Area. Speculators, mostly from San Francisco, snapped up the new homes, driving prices up 50 per cent between 2003 and 2004. But eventually, analysts in, even as new developments were being mapped out. With just 3,500 students, the university is not much larger than a high school at the point, though it's expected to grow. "What's more, it's a disaster three-hour drive just past your driveway to go to San Fran. Whitley recalls the mood at the bubble began to burst. "Sales started to slow down but the line was, 'It's only temporary, there won't be a decline, at worst prices will just flat line,'" he says. "It's kind of what you hear in Canada right now."

At the peak in 2005 the median house price in Merced was \$331,000. Today it's just \$295,500.

There was another glaring flaw built into Merced's real estate equation that no one seemed to ask about. Who in this town could possibly afford these McMansions? At the peak of the market it took an income of \$130,000 to buy a home in Merced, according to the Center for Housing Policy. Yet Merced has always had a problem with high

unemployment. The median income is barely \$35,000 a year. That suggests the majority of people who were buying there were out of town speculators or locals who had no hope of actually repaying their mortgages.

A few blacks up the road from where Schwarzenegger held his press conference, Michelle Allison, program manager at the county employment office, spreads half a dozen metal job postings out on a table in front of her—much of what's on offer at the moment. Amongst a number of the people coming in for help are flight attendants, tech sales and business owners. Yet the going rate for the few jobs available just US\$40 an hour. "It's frustrating because we're getting them all trained and ready to work, but for what?" she says. "There's nothing out there."

Anthony Jones, an army veteran who's worked steadily for two decades, but lost his \$11,000-a-year job as a struggling grocery chain, and as that tactic's applied to dozens of employers, with no success. "I feel like I'm running all over again in 200," he says. His relative optimism, that the government's stimulus program will jumpstart the local economy, but the fact is, it could take months for that to make effect, leaving few options for those who can't find work in the meantime.

Allison herself is all too aware of that. Her job ends next month. "I'm looking for work outside of California," she says.

Michael Blower never quite knows what to expect when he enters a foreclosed home in foreclosure. The real estate agent is often the first person into a house after the bank has seized it. In one house he found an abandoned antique piano. In another house all the walls had been kicked in, possibly by vandals but more likely by the previous owners before they left. And when he opened a door

**ABANDONED** • A car dealership sits empty in Elk Grove (left), the skeleton of a house in Merced. In this region along the San Francisco Bay Area, unemployment is getting close to 20 per cent; in the city of Stockton, 60 in 60 houses is currently in some state of foreclosure

recently, it was crawling with cock roaches and rats. So when he walks into a two-story house on the edge of Stockton and sees shattered glass everywhere, he knows particularly gapped. A football-sized rock smashes the middle of the kitchen floor. Blower will have to call a contractor to replace the glass, but he knows it will probably just get smashed again. "We've got at least another couple of years of this," he says.

The title of Foreclosure Capital of America tends to shift with each month of new data, but Stockton is almost always on one of the top five spots. Starting in 2005, people began to file missing paperwork in the Bay Area for foreclosed homeowners like Stockton, but that only served to drive up property values here, too. As buyers got spooked out of the market, banks pulled more and more subprime loans to ensure their backs in. At the height of the bubble, when the average house price reached \$150,000, the vast majority of home sales in the city were bought with subprime mortgages. That explains why home owners here have been hit so hard by the wave of foreclosures. Stockton's house prices have plunged by about 60 per cent in an average of just \$100,000. That's almost whole neighbourhoods "underwater"—meaning homeowners own more than their houses are worth. According to Zillow, a market research firm, an estimated 96 per cent of all homes in Stockton bought in 2006 are underwater.

As a result of all this, Stockton's real estate market has a zoo-like quality to it. It was here, after all, that the phenomenon of the foreclosure row first emerged. On weekdays, foreclosures grow the streets, shuffling back on foot foreclosed property to foreclosed property. The world of all man-made TV, which walked buyers into a frenzy during the bubble, has turned in to the trash. When a new show called *Death as the Bait* was launched in January, naturally Stockton was

the first stop. Foreclosing on neighbours has become an industry unto itself. Nothing worse than empty homes like a subprime front lawn, as landscapers spray dead leaves with green biodegradable paint to give properties that look-up look.

Watching all this from their rental house are David and Dorothy Martin. He's 50. She's 77. But their age didn't help them avoid being evicted from their home in February. If anything, it made their lives worse.

Dorothy is deeply religious. Before sitting down for a quiet dinner, she first prays that everyone join hands while she leads a prayer, asking that people's eyes be opened to the troubles as many homeowners are facing. But she quickly started to bang her head on that charitable thought toward the two-page brokers who forced her out of her home. "I'm a Christian woman, but I felt like looking at the windows and opening the walls with paint before we left," she says. "I kept asking, 'Why not?' We didn't do anything. Why should we be thrown out on the street?"

Over the years the Martins have owned several homes from Ohio to California. When they moved to Stockton four years ago to be close to their grandchildren, they bought a home with an \$85,000 down payment. Both of them are retired, but their fixed income of \$3,700 a month more than covered the \$16,000 monthly payments. Then last year the Martins were notified that their payments, like those of so many other Americans who took out adjustable-rate mortgages, were about to skyrocket and would gobble up

almost their entire income. They tried to negotiate, but were told that until they defaulted, the bank couldn't help. When they did start making payments, they learned that the bank they'd been speaking with no longer owned their mortgage. (Their daughter, Gail Sullivan, later learned the Martins' mortgage had been sold to several five times.)

In February, the Martins received a "notice to quit." The sheriff's office posted it outside their door. But then they'd already moved out. "We left a lot of love in that house," she says.

Despite all that's happened, Dorothy remains hopeful about the future work for

them. She's also thankful the couple have a roof over their heads and food on the table, unlike so many others. A quick walk to the Stockton food bank shows the extent of the problem. A long line of people coils up the door. According to Kristine Gibson, a manager at the food bank, demand is up 25 per cent over last year, and rising. She says it's prepping for a major food bank to include a lot more middle-class families. She can tell by her next car.

If there's a silver lining in Stockton's housing crisis, it's that affordable housing has meant a return to some semblance of community as the housing market. Blower says half of the people he sees buying homes today are seniors, while the other half are first-timers who didn't get out the bubble and saved their money. "There are a lot of couples who thought they'd never be able to buy a house three years ago who suddenly can today," he says. "I'm seeing a lot of all-cash offers from them."

Still, the damage has been done, and the

## At the auction of one foreclosed house the opening price is \$99,877.08. 'Two more pennies,' the first bidder says.

superintendents will continue to be left for a long time. In recent months, entry barriers have closed by increasing the number of contractors, but that is about to end. The rethink, says Hennes, will be hundreds of additional projects dumped onto the market.

But as everyone leaves now, America's recession has begun for beyond the world of residential real estate. As Wiley Chaudhry, who started up the winning penny at the Stockton courthouse, puts it, "Everybody had money, everybody was refinancing their houses. Little guys, big guys, they were all spending on everything. And now nobody is spending nothing."

Nowhere is that more apparent than the commercial waterfronts forming around Sacramento.

When Oprah Winfrey said a segment on a test city full of homeless people in Sacramento in late February, it touched off an emotional media storm. Here, in the capital of California, was one of the most glaring symbols of the recession. Since then, reporters from every continent have flocked to the sprawling site, set beneath power lines and next to an almost factory. The fact is, though, most of the homeless here, like Rico Morales, the self-proclaimed mayor of the area, have been homeless for years. "This is my home, it's not a mission, but it's organized," he says, adding that he's been homeless since he was 13. "When the mayor [of Sacramento, former top NBA player Ron Johnson] goes to work, he wants to go home, have a coffee, watch some TV. We'll like the instant thing, but unfortunately we can't."

But while the sudden media attention gives to Sacramento's test city one thing a quality-needed light on the direst needs problems of homelessness in America, there's another U.S. crisis swirling out there that could prove far more crippling to the global economy. And signs of it are evident 30 km south of Sacramento, in the city of Elk Grove.

In 2005, the city's U.S. Census Bureau counted Elk Grove the fastest growing city in America—though, astonishingly, until 2000 it didn't even officially exist. In just one year, the population exploded by 15 per cent to 112,000. With home building racing to erect whole new subdivisions overnight, their country parties in the heart of commercial real estate launched a tidal wave of new high-rise

and office buildings for the growing population to sleep and work in. Today, if you drive a few minutes into the countryside, you can see where that wave broke. A skeleton of steel beams and stone masonry rises out of the woods, the remains of a highly rented 130-acre shopping mall [the center of the project, General Growth Properties, one of America's largest developers, has been liquidated because of bankruptcy]. Several car dealerships have gone bankrupt, along with the people who together with profits. While strip malls sit empty. A cook at a Chinese restaurant sits outside smoking a cigarette during lunch hour because there are no customers to feed. "People aren't going out to eat any more," he says. Several restaurants, such as Chili's, have closed. The commercial vacancy rate in Elk Grove and other areas around Sacramento has topped 30 percent. Analysts expect it to rise further.

Yes, of course, a similar story is all across the state. In Silicon Valley, the west to the south of San Francisco dominated by the tech industry, offices within blocks of the massive Google campus are crying for tenants. Even the most exclusive shopping districts in California are struggling. From Rodeo Drive in Melrose Place, luxury boutiques that just a year ago were considered "recession-proof" have closed. Treasury firms, whose employees have topped in West Hollywood several celebrities like Kate Hudson, that down her store in January. "When wealthy customers who can afford to pay retail are getting 10 per cent off, it makes it impossible for smaller businesses to compete," the said at the time.

What does it matter if the world has a few less J. Crews or Blooms or Blooms? Many experts commercial real estate is in a state of decline as a result of the U.S. recession. But, of course, that's not the whole story. Investors that managed to dodge the housing crisis, including those based in Canada, could face even more staggering losses.

Consider the so-called top three-way mall, which office buildings go high up the highway from Elk Grove to the city of Roseville. It's the kind of structure that crowds out businesses. But, since the mortgage bubble in Sacramento who asked not to be buried, the giant Quebec pension fund, Caisse de dépôt et placement du Québec, could face millions of dollars in losses on that one building alone. Though no real estate financing subsidiary CIBC Capital, which oversees US\$1.1 billion in assets, the crisis is exposed to the



GENSHAI TOMASHOV • The state wants to shut down the test city where the loss

high-risk portions of a US\$10.5-million contract lost on the property. But the banker says a third of the building sits empty and the developer has stopped making loan payments. Given the terrible value of commercial property in the region, he estimates the building is worth half the value of the loan. "They [the owner] don't know what's coming," says the banker.

For a while it looked like the California dream had turned into a permanent nightmare. For months the past winter, legislators grappled with how to pay a massive US\$43-billion hole in the state's finances for the year. Some 20,000 public sector jobs were on the chopping block. Billions in personal income tax

refunds, which payments and student grants were put on hold. In short, California was going broke. Last December, Gov. Schwarzenegger said when he'd had only a list of 100 things he declared a state of emergency, this one fiscal. In the end, the state passed a budget involving US\$13 billion in new taxes and US\$15 billion in spending cuts. Schwarzenegger, meanwhile, may be popular in the rest of the country, but in California his approval rating is in free fall.

But if the state managed to temporarily plug its fiscal hole, in Valley the dream has broken wide open. Last year, that same city 51 km north of San Francisco declared bankruptcy. "90% loss of money," says Stephen Gomez, a city council member.

Since the late 1970s, when anti-tax advocates introduced a state ballot measure called Proposition 13 that capped property taxes,

cities in California have increasingly relied on new home construction and commercial development to feed their revenue needs. Now, with the foreclosure crisis and businesses closing, that money has dried up.

But even to cover the Valley are having a hard time finding new revenue, they are also reaffirming the after effects of a massive spending spree. Spending on public sector salaries in particular has skyrocketed. According to Gomez, a leader in the fight to fix Valley's financial crisis, 35 employees each earned more than US\$100,000 last year, more than in 1990. Thirty-five hundred health-care workers, meaning the company must eventually pay out to cover employees' health and retirement benefits, total more than US\$100 million. As a result, Valley has had to slash services. The number of police positions has been cut to 116 from 195, while two firehouses have been closed and another two are at risk. "People are leaving, they're losing their jobs, losing their houses, yet we're looking at a US\$13 million shortfall," says Gomez. "We can't go and ask people for more money until we get our own house in order."

Some few other cities may tumble into the bankruptcy pit. Several small towns outside the Bay Area, such as Rio Vista and Belton, are said to be at risk. "There's not much the cities can do," says Lynn LaPuck, a professor of bankruptcy law at UCLA School of Law, "other than sell off city hall to pay down their debts."

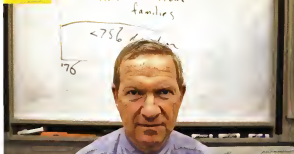
If Valley represents the worst-case scenario for California, then Silicon Valley remains its greatest hope. If the state can regain its past glory, the bets are on that the turnaround will start here.

No one's saying the tech hub has escaped the recession unscathed. The Facebook crisis has involved often like Ben Jones and his. Also, unemployment in the region has also hit 9.4 percent. Google has laid off 10,000 employees. Microsoft and even Google have announced layoffs. At a Starbucks near the Google campus in Mountain View, several employees update their resumes on laptops. One officer, Madeline, moved to the area three years ago from back east and quickly landed a job as an office administrator at a small tech start

up. "I'm not saying the tech hub has escaped the recession unscathed. The Facebook crisis has involved often like Ben Jones and his. Also, unemployment in the region has also hit 9.4 percent. Google has laid off 10,000 employees. Microsoft and even Google have announced layoffs. At a Starbucks near the Google campus in Mountain View, several employees update their resumes on laptops. One officer, Madeline, moved to the area three years ago from back east and quickly landed a job as an office administrator at a small tech start



**CEO DECIDES THAT HOMES ARE FOR EMPLOYEES**  
When Jack Windoff, the owner of New Jersey's Bollinger Insurance, learned last week that he had received a US\$500,000 bonus last week, he handed almost all of it to his 434 employees. Giving each one \$1,000 as a "mini-recession stimulus package" and encouraged them to spend the money. He himself left the payout mostly untouched. "They are the ones that do all the work," he says. "They are the ones who bring the successes."



ECONOMIST Jim Milway says more support for education and new ideas in public policy are the way to build a new kind of middle class.

# FORGET THE '70S

**There are no simple solutions for the plight of the middle class, but all is not lost**

**BY JARON KIRBY** • The other day Jim Milway was standing in line at a Tim Hortons when he saw one of the fast-food chain's latest innovations. No, not another maple treat. Milway was looking at a computerized kiosk at which customers could place their orders, swipe a card and then skip to the front of the line to pickup their choice immediately. "That's going to mean fewer service jobs," says the executive director of the Institute for Competitive and Prosperity in Toronto. "That's a good thing, believe me, that's good."

Milway's conservative way of thinking is based on sound advice: Canada's future needs to be American. Canada is overly reliant on low-skilled service jobs, he says, which is holding back the economy and contributing to stagnant incomes. What's needed instead is to find ways to foster more high-skilled, creative jobs. "That's one of the things that's going to help strengthen the middle class," he says. "The goal is at that can get into creative jobs, the better."

With layoffs sweeping the country and the economy deep in recession, everyone has an opinion on how to fix the middle class. Over the past two months Maclean's has explored the many challenges facing Canadian work-

ers through our series entitled "The New Middle Class Reality." (Previous articles are available at [Maclean's/middleclass](http://Maclean's/middleclass).) As we've found, the problems have been building for decades. Over the last 15 years, the median family income has flattened after accounting for inflation. Younger workers risk becoming the first generation to fall behind their parents. Meanwhile, Canadians have turned to their lines of credit to bridge the gap, piling on debt and slowing loans, in an effort just to maintain their present standard of living.

But while it's easy to point to what ails the middle class, finding ways to fix those problems is much harder.

One thing is abundantly clear: the cost of handling roughly one of high school into a \$60,000-a-year assembly-line job with benefits is a thing of the past, say economists. What's more, the dreamers reassure that are often proposed, such as tamping the borders to foreign-made products or propping up uncompetitive industries with massive government handouts, can be the worst problems there they solve.

A painful and ill-fated transition is underway: the idea of which hasn't been seen since Canada's agricultural economy gave way to the assembly line. In 1961, more than a quarter of the Canadian labour force worked in agriculture, and by the 1960s that figure had fallen to just six per cent. In much the same

way, as low-skilled factory work gets sent off shore where it can be done more cheaply, employment in the manufacturing sector has plunged to less than 12 per cent of the total job market from more than 19 per cent in the 1960s. "We're moving to a global homogeneous workforce, which means if you work in a poor country you can move up to the average but if you're above that average to begin with, you're going to get dragged down," says Dan Drummond, chief economist for TD Bank Financial Group. In other words, the well-paying jobs of the future will be those that can't easily be sent elsewhere.

Hence all the talk about the knowledge economy. The term is unfortunately vague, but it's true that those who work with their heads as much as their hands may be the next cheffes.

Hence all the talk about the knowledge economy. The term is unfortunately vague, but it's true that those who work with their heads as much as their hands may be the next cheffes. For instance, over the past three decades Canadians employed in what Milway calls "creative-intellectual" jobs, such as lawyers, accountants, engineers and higher-end craftsmen, have overtaken groups, experienced an unemployment rate greater than four per cent. The blue-collar jobs that have been consistently higher. During the recession of the 1990s, unemployment among that group hit 15 per cent.

So it's no surprise Milway's January advice to anyone looking for the route to the knowledge economy is to pursue education. "If you want to be in the middle class or you

THE NEW  
**MIDDLE  
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REALITY**  
PART VI OF A SERIES



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your year side table in the middle class, you really have to talk them to go to university or college, and get into a creative occupation, because unemployment won't affect you as much," says Milway. "It's what our economy needs and it's a way of ensuring that they will have job security and good wages." To that end, financial planners say the best investment a parent can make is to put money away in a Registered Education Savings Plan for their children. It at least gives them a chance to avoid the prospect of clung-out living in a minimum wage, low-skill job.

But for many blue collar workers, all the talk about the knowledge economy is frustrating. Having less of bright, educated people around doesn't necessarily mean you're going to have less of well-paying, challenging jobs for them to fill. In fact, there's a case to be made that Canada already has all the educated people it needs, according to David Livingstone, head of the Centre for the Study of Education and Work at the University of Toronto. "Canadian workers are already doing a great deal of learning," he says.

"It's a conflict of thinking, rather than worrying about adding to the deck." As it is, roughly 60 per cent of students graduate from some form of post-secondary education, giving Canada one of the most highly schooled labour forces in the world. Staircase programs are also used for those laid off, but 45 per cent of Canadian workers have already participated in continuing education programs, up from four per cent in the '60s.

Another fix could involve job sharing. Over the last decade there's been a sharp rise in the number of employees working longer than 50 hours a week. At the same time, there's an army of educated workers who can only find temporary or contract work with no benefits. One solution could target older workers who want to cut back on their time at the office by enabling them to take partial retirement, backed by a more flexible and generous Canada Pension Plan. "There are a lot of people around who want to work longer and a lot who want to work less," says Livingstone. "Job sharing is just trying out to be locked in more imaginatively."

The thing is, any solution meant to help the middle class will require flexibility on the part of both companies and government. But as it is, people who suddenly find themselves out of work run up against a rigid and outdated social safety net. With more than 350,000

jobs lost since October, many are finding the Employment Insurance system they paid into their whole lives simply isn't there to catch them. According to Statistics Canada, less than half of all unemployed workers qualify for EI. Last fall, the Organisation for Economic Co-operation and Development said Canada spends less on unemployment benefits than almost any other developed country. This, the OECD concluded, goes part way to explain why the gap between the rich and the poor in Canada has widened so rapidly over the past decade.

Ontario recently set aside \$60 million to hire staff to deal with the backlog of EI claims. But that still doesn't deal with some

## IF YOU WANT TO BE IN THE MIDDLE CLASS OR WANT YOUR KIDS TO BE, THEY HAVE TO GO TO UNIVERSITY



250,000 JOBS disappeared in Canada since the shutdown began last October

of the fundamental flaws in the insurance system that stand in the way of developing a more flexible, knowledge-based workforce. For one, benefits are restricted in regions where unemployment has traditionally been lower, such as British Columbia, Alberta and Ontario, and easier to get in places where joblessness is more entrenched. "We have a system that impedes you from moving, and subsidizes you to stay where there are no jobs," says TD's Drummond.

While addressing these shortcomings in the EI program requires relatively minor adjustments, Milway and his colleagues are pondering more radical rethink—single insurance. When a worker loses a well-paying job, they typically have to settle for something that pays less, or return to school and earn next to nothing. Milway would like to see Ottawa introduce a wage insurance program that works similarly to EI. The specifics are still up in the air. But if an employee goes from a \$50,000-a-year job to \$30,000, the insurance program might cover half the difference for a one- to two-year period.

"Canada used to pride itself on being a leader in these types of programs," he says. "That would be something Canada could be a leader on again."

Yet in all the discussion around the plight of the middle class, an important problem, and potential solution, is often overlooked. The middle class today looks a whole lot different than it did in the 1970s—Canada's economic high-water mark in many people's minds—because the population as a whole has undergone such a dramatic transformation. Immigration from non-European countries has boomed in recent years. By 2017, it's forecast that half of the population in Vancouver and Toronto will be immigrants. Yet a large number of newcomers have failed to integrate into the economy. For instance, educated immigrants account for nearly half of those Canadian-born workers just paid, says TD's Drummond. Even after they've lived in Canada for 30 years, immigrants are twice as likely as Canadian-born citizens to earn a low income.

Part of the problem is poor language skills. Canada was also, until recently, one of the only countries that did little to target what would be the biggest hurdles for those moving to Canada: the fact that foreign credentials are rarely recognized here. For example, a doctor from Pakistan whose three courses short of Canadian requirements would have to start his training all over again. Drummond says there's been plenty of talk about fixing the gaps in credential recognition, but almost no action. So given the sheer numbers of immigrants who are falling behind, just say wonder: incomes in Canada have flattened?

"In Toronto and Vancouver 50 per cent of the population will be immigrants by 2017 as when a third half of your population is not earning any income, it's easy to see what the aggregate [earnings] going to look like," says Drummond. The big rule, of course, is that if newcomers to Canada are able to catch up, the middle class picture would look a lot brighter.

For now, there's not a lot that Canadian workers can do but try to survive the recession, jobs intact. "There are all long-term, unspoken fears but they show there are solutions out there," says Milway. But that means we shouldn't expect a dramatic turnaround in the fortunes of the middle class any time soon, either. "If there was a quake for we would have figured it out by now." ■

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## Should Canada be selling more water?

> CANADIAN IMMIGRATION POLICY

> OIL SANDS

> U.S. DEEP INTEGRATION

> SELLING WATER

> EDUCATION

> CARBON TAX



**Meera Karunanthan,**  
National Water Cam-  
paigner for the Council  
of Canadians

— There is a time for us to rethink the way we use and consume water in Canada. It is not a time to develop new schemes to drain and destroy our watershed by shipping massive amounts of water out of their natural environment.



**Daniel Klynechuk,** Policy  
Analyst for the Frontier  
Centre on Public Policy

We could raise \$100 to \$125 billion. Compare that to Saudi Arabia: they earn \$300-\$400 billion from oil. Think what that kind of money could do for our health care.



### ISSUES PERTAINING TO WATER SALES

**The world's growing thirst.** A report recently compiled by United Nations agencies predicts that by 2030 almost half the world's population will be living in areas of "high water stress". This is a result of industrialization, improving living standards as well as changing diets with more meat. All this requires more water.

**Squandering liquid assets.** Is Canada living far beyond the means of its water resources? One study has found that while developing nations such as Costa Rica get by on 54.6 litres per person a day, Canadians consume 951 litres per person, the highest level in the western hemisphere. Another study has found Canadians under-estimate the amount of water they consume by a factor of five.

**Can trading water help us conserve?** So-called "irrigation districts" in western Canada have been trading water rights, a first for water sales within Canada. This system has resulted in farmers turning away from low-efficiency, low-value crops toward systems that make better use of water which irrigates more lucrative crops. Is this an example of managing water sales to other countries?

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# Can Canada improve its productivity by producing better managers?

» CANADIAN IMMIGRATION POLICY

» OIL SANDS

» U.S. DEEP INTEGRATION

» SELLING WATER

» EDUCATION

» CARBON TAX



**David Johnston**,  
President of the  
University of Waterloo:  
Our principal con-  
cern is the lack of R&D  
capacity in Canada. Take graduates  
and put them in knowledge transfer  
positions. Let them absorb the  
knowledge being created.



**David J. Foray**, Dean  
of the Schulich School  
of Business:  
There's much less  
opportunity in Canada to  
create complementary qualifications  
between engineers and business  
leaders. Our problem is that we're  
in the lowest quartile in terms of  
growing industries.



DEBATE

## ISSUES PERTAINING TO MANAGEMENT

Our students need to improve. In the most recent rankings of competitive nations by the World Economic Forum, Canada ranked fourth out of 53 nations. But much of the strength in Canada's ranking game comes from financial and economic policies. This country continues to give a mediocre performance in another crucial measure of achievement: the generation of patents.

**Immigrants as business assets.** Canada, by virtue of its liberal immigration policy has natural cultural contacts with the world's most important emerging countries, including China, India and Brazil. But this country's businesses continue to look to the United States as the only foreign market that matters. Can we make better use of our business and engineering graduates to build trade with other countries?

**Rebuilding the tech sector.** Although Canada has been a leader in adopting technology, especially in the field of communications, we have not leveraged it to build industrial leadership. Following the tech bubble of the late 1990s, Canadians reverted to cyclical resource-extraction and financial industries. How can we improve our ability to innovate in technology?

# Is there a case for a carbon tax?

» CANADIAN IMMIGRATION POLICY

» OIL SANDS

» U.S. DEEP INTEGRATION

» SELLING WATER

» EDUCATION

» CARBON TAX



**Thomas Courtenay**,  
Professor at the School  
of Public Policy, Queen's  
University:

Carbon pricing will  
attract a myriad of investors who will  
drive innovation and development  
of low-carbon technologies. This is  
a new frontier. We have the human  
capital and research capacity to excel  
in this greening of the globe.



**Meureen Sadler**, British  
Columbia Director of  
the Canadian Taxpayers  
Federation:

Carbon taxes are  
new taxes on families, mostly to ad-  
monish, won't pay for environmental  
care and have been a failure where  
they exist already. Perhaps even  
more devastating is the impact  
on our largest exporting provinces  
as they become less competitive in  
the marketplace.



DECIDE

## ISSUES PERTAINING TO A CARBON TAX

**To tax or to trade?** There are two economic strategies for controlling greenhouse gas emissions (GHGs): carbon taxes and cap-and-trade systems. Cap-and-trade allows polluting companies to buy and sell carbon-emission credits. It would reduce GHGs, but their fluctuating market prices would make it difficult to plan long-term investments. A carbon tax is levied to all polluters, including private citizens, with a predictable rate.

**How fair are carbon taxes?** Advocates say that by taxing pollution an economic incentive to develop greener energy production takes hold. But critics say it can regionally discriminate against provinces that rely on hydrocarbons for electricity production, such as Alberta, while favouring provinces such as Quebec and Manitoba, which are rich in non-polluting hydro-electric generation.

**A holistic approach to greenhouse gas emissions.** The high oil prices seen in 2008 were effective in reducing consumption and the production of oil-based GHGs. At the same time, however, coal prices changed little. A carbon tax would have given users an incentive to use less coal, the use of which also creates GHGs.



To watch the full series of debates on these crucial Canadian issues to [www.canadianbusiness.com/microsoft](http://www.canadianbusiness.com/microsoft) or [www.madeans.ca/microsoft](http://www.madeans.ca/microsoft)

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# Put workers, not banks, first in line

**Why our severance laws need to change**



PHILIP SLAVTON

On Nov. 12, media giant Comcast Global Communications filed for Chapter 11 protection. Across the Comcast empire, thousands of employees were called into boardrooms, tables thoughtfully furnished with boxes of tissues, to be given the bad news. As the law requires, Comcast offered severance pay. Many were reportedly offered redundancy certificates for a limited period, the length of which depended on how long they'd worked for the company. A laptop screen was not on the table. Anyone who refused the offer would almost certainly have to hire a lawyer and fight it out. For the most part, the freshly laid-off employees weren't up to it. They took what promises they could get, and left.

But the bad news stories didn't stop. Comcast was in big trouble. It needed creditors' massive debt, and might not be able to do it. The company might soon be in breach of loan covenants. Its share price had plunged. Creditors were circling. A filing under the Federal Companies' Creditors Arrangement Act (CCAA) might be unavoidable. (No filing has yet taken place.)

The CCAA offers court protection to a company in financial difficulty, so it can reorganize and stay in business. (It's not the same as a bankruptcy filing, under the Bankruptcy and Insolvency Act, which generally leads to a company's dissolution.) While a company that has filed under the CCAA attempts to revive itself, creditors cannot enforce their claims. That includes re-employees entitled to continuing severance payments, in CCAA proceedings, they are just ordinary unsecured lenders who must wait a long time with the unpleasant prospect of getting little or nothing, at Nortel Networks employees recently found out. Meanwhile, savvy banks and other commercial lenders, with their loans typically secured, protect and enhance their position. Many wonder this fundamentally unfair.

When banks lend a company money, or financial professionals purchase a bond issue for sale to the public, they negotiate complex terms with the borrower. Security will likely be demanded, promises about financial performance will be extracted, the consequences of breaking those promises will be severe. As part of this process, lenders assess risk, including the risk of insolvency or bankruptcy. The greater the perceived risk, the stricter the lending terms. If a lender thinks a borrower is shaky, the interest rate demanded for the loan will be higher. Professional lenders know how to protect themselves.

Ordinary employees don't behave the same way. They are unlikely to have the skill or knowledge needed to assess insolvency and other risks. Even if they do, they won't have any real opportunity to negotiate a higher

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**Banks have the muscle to protect themselves. Workers aren't so lucky.**

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Employees do get some special consideration when a company goes under, but it is very limited. The recent federally funded Wage Earners Protection Program (WEP) guarantees payment of up to about five weeks of wages and vacation pay—a maximum of \$1,151—when an employer declares bankruptcy or becomes subject to a receivership. But it does not cover severance pay, and does not apply to a CCAA filing. The 2009 federal budget extends the WEP to cover severance pay, but only for bankrupt companies or those in receivership, and only to the four-week maximum, significantly, it fails miserably to address the CCAA problem.

One fix is for judges who take the stay of proceedings to issue the CCAA filing to compel insurance pay from their order. They have the discretion to do this if they wish, they should be encouraged accordingly liberally on judicial discretion to rely. A better solution is to send the CCAA to give priority to severance pay (up to a relatively modest dollar amount per employee, to prevent senior employees feathering their nest by negotiating handsome exit packages before a filing). Some object that to put employees ahead of banks may inhibit commercial lending, or make it more expensive to borrow, neither desirable at the moment. Others believe that, for once, ordinary employees should come first, it's a reasonable trade-off, they say. After all, the man on the assembly line never hurt anyone and is not well equipped to protect his interests. And he should never be the main point of concern to give the negligent time to find another suitable job, something that's in everybody's interest.

The history of amending the CCAA is most encouraging. The process has been cumbersome and slow, with many amendments passed by Parliament unopposed until now in force. But, in these harsh economic times, with important companies in serious trouble, and an army of the unemployed and severed pay owed to laid-off workers has political traction. ■

# ECONOWATCH



STEVE MAIRCH

Ahead the constant stream of statistics and forecasts. It's easy to forget that loans and loans are all about human behaviour—and the various ways we resist our own hopes and fears into action. This week, marketwatch first the Bureau of Economic Analysis survey that identified eight consumer categories, providing a useful framework for understanding how consumer psychology will impact on the downturn and the recovery. They are as follows:

**The Unemployed** (30 per cent of the public). Job is secure. Debt is easily manageable. If they're looking actively to save money, it's not much. The Earned (30 per cent). Job is secure. Debt is under control. Any way, money. They're doing little things to save, but little has changed. The **Household** (20 per cent). Still spending, but prudence drives them to carefully consider all options before buying anything significant to ensure they're getting the best possible price and quality. The **Prospers** (10 per cent). The employment numbers are worrying, and that gets of him to go to pay itself. These people haven't stopped spending, but money is being socked away and big purchases will have to wait for better times.

The **Budgeters** (5 per cent). Household costs are high and the job isn't keeping these folks up at night. The budgeters are cutting back on the board and food expenses as the day. If even if they're bought on sale or at Wal-Mart, they're not getting it. The **Debtors** (10 per cent). What's a used motorcycle? These folks are selling. Making ends meet means auctioning off assets that have value, in some cases to reduce debt, more often to pay bills. The **Robbing Peter** (11 per cent). The largest single category of consumers, these folks are having trouble keeping up with all their other bills. They have cut costs everywhere they can, as budgeting as much as possible, but the Visa bill is going to have to wait until next month. The **Shoppers** (3 per cent). The job is gone and the dollar is crashing. They are in a bad shape, selling assets, wishing all but essential costs, and dreaming of the past. Wal-Mart is only for credit that can't be bought at the dollar store.

What does that mean for the economy? What we need is for the current to become Unemployed, and for Prosperity to go back to being Responder again. But the real test may be seeing the 30 per cent who are truly depressed. When they stopped saving, liquidating, and robbing Peter to pay Paul—that's when the recession will really be over. ■

## OVERDRAWN by Jason Logan



## THE GOOD NEWS

### Take a breather, housing

Housing has been the epicenter of the current global crisis, but a few scattered improvements are emerging. Pending sales of U.S. homes unexpectedly rose 2.1 percent last month in the U.K., analysts were stunned by a slight rise in house prices, as mortgage approval climbed to a nine-month high in China, property sales rose 1.5 percent in February.



### Four aches

It's no Econogauge™, but the VIX volatility index is an indicator to a 90% drop in the "fear index" because it reflects traders' anxiety about the market. The VIX index is a measure of the market's expectation of volatility over the next 30 days. Last week, the VIX closed below 40 for the first time since January—despite the fact that trade was unusually nervous, rather than terrified.

### Action on the line

North American factories are slowly and cautiously starting back to life. The Institute for Supply Management's manufacturing index rose slightly in March. More importantly, demand for durable goods (prod-

ucts made to last more than three years) rebounded by 3.5 percent in February, after plunging 7.9 percent in January. Non-durable orders were up by an impressive 24.1 percent, which economists use as a sign that business is starting to invest in equipment and other assets.

## THE BAD NEWS

### Pink slip blues

The U.S. job market continues to disappoint workers by the thousands. Another 66,000 lost their jobs in March, bringing total job cuts to over five million in 16 months. That's about equal to the population of New Mexico, and has pushed the unemployment rate to 6.5 per cent—a 25-year high, but even that fails to cover the misery that is the U.S. job market. If you include people who have given up looking for work, and those who've taken part-time jobs because they can't find full-time work, the unemployment rate rises to 11.6 per cent—right on size they began compiling figures in 1994.



### Did we say that?

scale back their too-rosy prophecies for Canada's economy. If housing goes this far, the think tank projected a mild contraction of 0.5 per cent. Now they expect a 3.9 per cent decline, accompanied by 140,000 jobs lost, an unemployment rate as high as 9.5 per cent, and a recovery in 2010.

### Building blocked

Canadian municipalities used

## A WEEKLY SCORECARD ON THE STATE OF THE ECONOMY IN NORTH AMERICA AND BEYOND

## GRAPH OF THE WEEK

**THE ADVERTISING DECISION**—You might not enjoy advertisements, but they help us get lots of things you do enjoy. Use this infographic to see how the graph below provides a snapshot of the industry in advertising spending from 2007 to 2008 for various media. Unless you're running an Hispanic cable network, the news ain't good! (And 2008 has been even worse.)



## SIGNS OF THE TIMES



► If you have some cash put away and a steady job to count on, there has (by no means of late) never been a better time to buy a house in the United States. Fixed mortgage rates have fallen to all-time lows. A typical 30-year fixed mortgage rate stands at around 4.5 per cent, and some product rates should fall further. ► Shoppers around the world are tightening their belts to cope with the fear and anxiety of the downturn. Nielsen Co. released a study of buying patterns in 12 of the world's 12 biggest economies, including Canada. Not only are shoppers taping for less expensive store brands, they are also making fewer shopping trips. That suggests consumers are stocking up on essentials—a sure sign of anxiety, especially in less developed countries like China, Russia and India, analysts say. ► Retail sales are suffering pretty much across the board in the U.S., but there are some categories that seem to be thriving: sales of vitamins and nutritional supplements went up nearly eight per cent in the fourth quarter. Princeton University professor Uwe Reinhardt told the *New York Times* that the trend reflects the economic turmoil, as Americans are hoping to avoid early trips to the doctor. ► Australia is the latest country to discover that tax rebate changes are a popular but less effective way to stimulate the economy. Home Australia is often to bark their cheques up to AUS\$999. But one industry has seen a benefit. Pip Marquet, manager of Sydney's After Dark brothel, says his home newspaper ad ("Let us stimulate you") have yielded a noticeable rise in business.

## LATEST INTELLIGENCE

A run of global economic data coincided with the 100th anniversary last week and opened talk of "green shoots" across the devastated economic landscape. Perhaps the most telling sign is the market has rallied by more than 1000 points in the past month, suggesting that selling bonds to raise money and reduce capital. But not everything is rosy. The fact that signs of an economic spring will last.

"I am seeing green shoots. Not in terms of the current quarter but in terms of the prospect for a quarter or two down the road?" —Jim Murray, chief U.S. economist at Goldman Sachs

"The bottom line is the global economy is poised for significant improvement." —David Hensley, director of global economic coordination, JPMorgan Chase



"You do see some positive indicators... the kind of very sharp downturn that we're seeing might not yet have continued indefinitely." —Lawrence Summers, National Economic Council

**"If something happens to spook consumers and they crawl back into their tortoise shells, that would be terrible news."**

—Alan Blinder, economics professor at Princeton University

"If we continue to lose 600,000-plus jobs a month, that will burn out these green shoots pretty quickly." —Mark Zandi, chief economist at Moody's Economic

"The market doesn't have any evidence that it's not getting worse. That stock market rally that we've seen, people need to be cautious about it." —James O'Sullivan, chief investment manager at MFS

## THE ECONOGAUGE

Our weekly estimate of the prevailing mood among investors and consumers



## THE WEEK AHEAD

**THURSDAY** Statistics will release Canadian employment figures for March. Economists are expecting another 150,000 jobs lost. U.S. and Canadian international trade figures will also be released. TD Bank expects the Canadian trade deficit will have risen to \$1.6 billion. **FRIDAY** U.S. retail sales for the month of March will be released. **WEDNESDAY** The U.S. will release the consumer price index for March, expected to show that inflation remains minimal. Canadian motor vehicle sales for February will also be released.



RICHMOND'S OLYMPIC OVAL: It's built of reclaimed B.C. timber and its pellets run on sawmills, which also krigates trees outside

# LET THE RECYCLING BEGIN

**Vancouver's Olympics get serious about the Games' environmental and social impact**

**BY BEN MACGOWEN** • Upon entering for the first time the magnificent 6-hectare sprawl of the Richmond Olympic Oval, most people look upward in awe at the glorious arch of its wooden ceiling—a million beamed flos of

timber reclaimed from forests devastated by B.C.'s infamous pine beetle infestation. And then there are those of a more basic nature who look downward—in particular—at the facility's toilets. Well, not at the toilets so much as the signs above them: "Most portable toilets DO NOT DRINK," they warn. One's initial response is, "Well, duh!" Or, "Can't you write that in American-ese?" Or, "Someone should tell them that dogs can't read."

Still, a sign like that gets a body thinking. The fact is that most people in Canada are charged with perfectly sweet, marginally mixed drinking water—quite a waste. The state-of-the-art Richmond Oval, site of next year's Olympic long and speed skating events, is a rare exception. Its toilets are charged with riverwater funnelled off its arching roof. This explains the gas-forma health warnings, too, to give Olympic visitors a curious impression of Canadian bathroom habits. The rest of the oval runs fit, used to irrigate trees and

landscaping, flows into a picturesque outdoor recreation pond surrounded by willows and public art. Viewed as that warm green light, the inability to drink from the facility doesn't seem much of a sacrifice.

The \$178-million oval is one of the three largest sports venues purpose built for the 2010 Winter Games. It is a significant piece of the new, and certified, Olympic ethos. It is no longer enough to be a cathedral to celebrate the Games' ideals of "faster, higher, stronger." A new buzzword, "sustainable," is added to those three—part of the International Olympic Committee's attempt to mitigate the massive carbon footprint and social disruption that results when you invite the world to play in your backyard. In Vancouver's case, that means coping with the vapour trails and demands generated by almost 7,000 Olympic and Paralympic athletes and officials and 10,000 media arriving from some 60 countries—as well as the 20,000 to 25,000 volunteers and the hordes of some 10 million event-goers.

In Vancouver, the challenge falls to Ann Duffy, corporate sustainability officer for the Vancouver Organizing Committee (VANOC). Her job is to ensure VANOC meets its stated commitment for a "triple bottom line," a Gartner that are not only environmentally sound, but socially and economically responsible, too. Sustainability plays a role in every decision that VANOC makes, she says. "It influences the kind of people you hire, the kinds of suppliers you want to work with and the

sponsors you want to play with."

In VANOC's case—and selection of environmental and social criteria watching its every move—it means commitment, as John Harding, the CEO of VANOC, puts it, "to address the pressing issues of our time." From an environmental point of view, that means building its venues to the highest practical standards, and designing them as multi-purpose facilities for use after the Games. But it also means getting up with its sponsor Beca another Olympic training program to provide a pool of construction laborers. It means a Buy Smart program to audit material and material suppliers to determine they don't violate the environment, labour and safety laws in their respective countries. It's Olympic missions, far enough, are made for children, not by children. It means purchasing Aboriginal participation in the Olympic workforce, in merchandising, and in the art and cultural aspects of the Games. It means creating a legacy of social housing and opportunities "for people who might not typically benefit from a mega event," says Harding.

Opinions are divided as to VANOC's success. While the IOC is content, VANOC's actions don't go far enough to satisfy many B.C.-based social and environmental activists, though its firmness is would take the conclusion of the Olympics, and a redemptive part of its budget to any number of causes, to achieve that. On the other hand, some question if an excess of dogmatism has caused sustainability overload. Still, for instance,

# 1.25

million tonnes

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**EPCOR**

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It must have distressed his ego and his profound sense of what he was a person that he could engage huge audiences and tell them what he believed. It is his finest moment as an all-star.

But Bethune was not good in supporting roles. He needed to turn the spotlight on himself because he sincerely believed that was where he belonged. Better than making money for the cause, he needed to be the person implementing the cause.

At the beginning of July 1937, he began to sense what this cause should be. The Japanese had launched a full-scale attack against China's major cities, and the Canadian newspapers were filled with it. Canada felt benevolent toward China. There was still relatively large numbers of Canadian Christians even in the remote parts of China, and Jewish missionaries were here, heard every sentence encouraging them to fill rice bowls and send kids girls from London and Paris. After conquering Manchuria and installing the puppet emperor in 1931, the Japanese were ready to continue conquering the rest of China. The Chinese appeal to the League of Nations in international affairs, Japan was turned upon, and the Japanese undoubtedly felt emboldened.

It didn't help that China itself was torn by civil war between the nationalist Kuomintang government of Chiang Kai-shek (quartered in Nanjing to the southeast) and the Chinese Communists under the leadership of Mao Zedong, which had just completed the Long March to the northwest. Initially, Chiang Kai-shek had been heated by the extraordinary Communist general Zhu De, but Chiang switched back with an army of 300,000, including the Communists and killing or starving to death a million people. About 100,000 men, women, and child died were forced into a circular march that took them from Jiangxi west to Yunnan. The remnants of Shensi Province. The first 6,000 soldiers arrived at Yunnan under the leadership of Mao more than a year later, in October 1935. They had fought their way over 6,000 miles. Another 14,000 followed in different battalions. Eighty thousand had perished on the way.

The Canadian Communist leader, Tim Buck, got Bethune the support of the Communist Party of the United States of America, the Chinese League Council, and the American League for Peace and Democracy. In early January 1938, Bethune left Vancouver for Hong Kong on the SS Empress of Asia. He was accompanied by an American sailor, Dr. Charles Parsons, and a Canadian nurse, Jean Ewen. Ewen had been working in Canada after spending five years in China as a nurse with German and spoke fluently Chinese.



THE ONLY foreign doctor among 13 million, Bethune might operate 175 times in a week

They had gone to China to offer themselves as medical help in the same spirit in which Bethune had gone to Spain: he was simply a doctor joining the United Front, the coalition of nationalists and Communists fighting the Japanese, and hoping to be helpful.

The group was led by Dr. Lin, the head of the Chinese Red Cross, whether they would be willing to join the Eighth Route Army, then in the northwest, in the Chi-Chi-Chi border region in the mountain of Shensi province, 200 miles from Yunnan and 300 from Xian.

Their journey of six weeks to Yunnan was a strenuous agonizing by foot and rail, they wound at various for trains that would take them more or less in the right direction and they dodged Japanese bombs and bullets

They left Shanghai by third-class train, joining religious, and made their way to Zhongnanhai in Nanjing. Having raised their connection for Xian, they spent the night on the floor of a single room at the end of the platform with awnings and herb beds, where Bethune was able to spoon-feed with some dried milk rehydrated with boiling water. The women had no money and Bethune gave her some, which she accepted reluctantly and with tears because the girl had been starved. To help her see how, Bethune told her that it was not charity, when the war was over they would come back for repayment. As soon as they reached Dong Guan, Bethune started operating, setting shoulders, repairing bullets, and performing an amputation on a leg that was gangrenous.

At the beginning of the long and dangerous journey to Yunnan, Bethune had told Ewen what he expected of her:

*I was never to call him by his first name, as I had not yet got acquainted. There was to be a doctor-nurse relationship, otherwise we were to have no particular contact. I told him not to worry. It could be no other way in a primitive world. Then, too, I was not to tell it upon myself to diagnose or treat patients. He knew I had not but he was just telling me. I wondered what I thought that we and I was happy that. I was a servant, no more, no less. I did not show my anger, at least I hope I didn't. I needed to put forward every effort to please the good doctor.*

Every place they stopped, their little group, which included several servants and an interpreter, was approached for medical help. Bethune was very busy, "like the good Swiss nurse [handling] the wounds of all who came to him." Once, with 40 cases of infection, they became a very mobile stage and were badly bombed. Bethune looked after the wounded as best he could, but Ewen felt she could hardly function, she was so afraid. "Dr. Bethune didn't get angry," she said, "but he got frustrated. Every man must have two impulses in his life—one with water and one with fire. You have just had your baptism of fire." "You are nothing but a bloody nuisance," he said, without thinking. Bethune flew into a rage. "He yelled and screamed, talking so quickly that I don't think he knew exactly what he was saying. 'Don't you ever say anything like that again, you dizzy bitch!'"

More and more soldiers were coming in, their wounds infected, and they found them selves in a no-man's land on the Pei River in southwest Shensi province, about 100 miles from Xian and ahead of the advancing Japanese army by only a few miles. They were at the seat of a retreating Chinese army. In the region, they witnessed a battle and saw machine gun bullets striking the water 100 yards away from them. They had to make dash across a plain of open land, when they were fired on again. They'd heard that the Japanese were parading their conquest of about 500 Chinese and several batteries of 81mm guns and artillery—though 36,000 men. The next day the Japanese artillery arrived on the opposite bank and shelled them all day for three days. It would take them a month to overcome the entire 600 Chinese at the last 218 miles to Xian was mostly by foot.

At a clash on the very night they arrived in Yunnan, they were announced to meet Mao Zedong. Bethune was already in bed, but it took him only two minutes to get dressed. Even a vacuum of his meeting is immediate and fresh.

The messenger who escorted to Chairman Mao's quarters explained that the chairman worked during the night hours, from midnight to sometime eight or nine in the morning when it was quiet, and that he did not usually see people unless they were important. The guard outside Mao's house pushed back the heavy padded door; there was no door which covered the entrance.

A man sat at the table with one hand resting on a book near his eye, his face turned to the door. He wore a blue cotton uniform like any other soldier in this line, but his cap was a peaked cap with the red five-pointed star over his shadow on the wall seemed to accentuate his height. The fluttering shadow on the wall lit a strange quality to the scene, a mixture of the only by the glow of the candle.

The man came toward us smiling, and in a rather high pitched voice said, "Welcome, welcome." He held his hands out to Dr. Bethune, who accepted his greetings in a like manner. The Chinese leader's hands were long and slender.

## MAO AND BETHUNE STARED SILENTLY FOR A MOMENT, THEN EMBRACED LIKE BROTHERS



THE CHINESE loved his importance as an intimate messenger

me, right as a woman. Without speaking, the two men just walked ahead after their message, then they embraced like brothers. The chair Mao's face was crossed with a high forehead and a shock of very thick wavy black hair. The unusual woman looked into a handsome man as he sat down at the table where he had been working with his secretary. The secretary could speak fluent English so I was relieved of my duty. Chairman Mao spoke no language but Chinese. After small talk about the weather, Dr. Bethune presented his credentials from the Communist Party of Canada. His card was printed on a square of white silk, signed by Tim Buck, secretary of the party and endorsed by the party and Chairman Mao. The card read: "I am a Canadian, born in Canada, and I will transfer you to

the Communist Party of China as you will be an invaluable part of this country now."

Mao told them how much the party was in need of good medical care in the West mountains and said that he thought Dr. Bethune would do very well; he was correct, however, a blow to the nurse would be able to survive. Then the conversation took a different turn.

After a time Mao asked her, "Don't you think that Dr. Bethune looks like Lenin?" He stood up where he could look at the doctor's profile. "Oh yes, only Dr. Bethune has a better shaped head as the back than Lenin," I cheered brightly.

The secretary told Bethune the first of our mission. To say that the doctor was delighted would be to say he had no feelings. He was a man. Eventually the glow of light upon his face was of his hands, and the subject took up a sheet of dark material to which a very reasonable conclusion. The night lay on wings, and before we knew it, April 5 had arrived.

These first meetings have been recorded in one of the most famous propaganda poems of all time, showing Chairman Mao and Norman Bethune sitting at a table together. They are portrayed in regard, two men deep in serious conversation, alone, without interpreters, without any distractions. When Bethune met the leaders of the Chinese Communist Party, it was the first time he had met them on their own level. The men who had surrounded him like a hyacinth, who had argued with him with impudence, turned poor people for him, and taught children as was finally fused with the Chinese purpose. He was welcomed and given the keys to the hospitals, a freedom allowed only to the top officials of the party. The Communists, determined to drive out the Japanese, admired Bethune's experience and concern for the peasants as well as the soldiers. They identified with his desire to increase and his gratitude for his situation. He could do no wrong, and that, for a human being, was a big responsibility.

From Extraordinary Canadians: Norman Bethune by Andrew Chisholm, Copyright © Andrew Chisholm, 2006. Reprinted with permission of Penguin Group (Canada).



## THE MAKING OF MARY

Outside Europe, too, Jesus's mother has

My mother's most recent appearance to me has been as grainine by the Roman Catholic Church schoolhouse in a Japanese nursery in 1973. There, these are Guadalupe. No one else. Marian art is more significant in the history of Catholicism than the Mexican theme. These in 1915, made after the Spanish conquest on a hilltop statue of brown indigenous mother and child, Mary appeared to an Aztec convert, Cuauhtlatoatzin—known since his canonization in 2002 as St. Juan Diego—and spoke to him in his own Nahuatl language. Our Lady of Guadalupe was the bridge between two worlds, the Aztec and the Christian, the indigenous and the colonial, the sacred and the secular. She is bringing with her the New World natives to Catholicism. Today, so and on people a year start her birthday.

How it all came to be, how Mary emerged from a handful of Guadalupe references to become so woven into the fabric of Western life that it is impossible to conceive of Western life

My mother's most recent appearance to me has been as grainine by the Roman Catholic Church schoolhouse in a Japanese nursery in 1973. There, these are Guadalupe. No one else. Marian art is more significant in the history of Catholicism than the Mexican theme. These in 1915, made after the Spanish conquest on a hilltop statue of brown indigenous mother and child, Mary appeared to an Aztec convert, Cuauhtlatoatzin—known since his canonization in 2002 as St. Juan Diego—and spoke to him in his own Nahuatl language. Our Lady of Guadalupe was the bridge between two worlds, the Aztec and the Christian, the indigenous and the colonial, the sacred and the secular. She is bringing with her the New World natives to Catholicism. Today, so and on people a year start her birthday.

How it all came to be, how Mary emerged from a handful of Guadalupe references to become so woven into the fabric of Western life that it is impossible to conceive of Western life

son Mary's while others, like the Anasazi tradition (where the Angel Gabriel told the virgin the words here [the son of God] and the Virgin Mary [Mary's prayer of praise], are vital in their angelic and liturgical contexts).

But, as in the case of Christ himself, there is little personal information about Mary's life. Just as the gospels specified about the true nature of Jesus in the decades after his death, Rahm notes, they pendered—left the same remains—those questions about his mother. The Apocrypha, books of Christian devotion and liturgy that were not divinely inspired, were the only place where we could find the gap, abounding with tales of his maternal love and the special woman who bore him. In 1959 CE the Synod of Jerusalem forbade Mary a hagiatory apparatus: for the mother of God. The daughter of a rich couple, pious Mary was offered in the Temple at age three and dwelled there in purity until

speaking, in this time language that is  
unintelligible, the "Mystery of the mother  
of all, the holy, God bearing Mary?"

At the centre of Christian mystery movements  
in the Greek speaking Byzantine Empire, the  
Egyptian influence was to bring crucial in-  
fluencing Mary ever more embled, and she  
became queen of heaven. In fifth-century  
Constantinople, presiding either: battles, either  
on just how the divine and human natures  
in Christ, an authority now wrote over what  
was the Greek speaking church, the  
harmen Jesus, Syrian Christians, Aramaic  
speaking and closely connected to their Jew-  
ish roots, led to the latest Niphetan Christian  
time to the form: With Christianity growing  
more distant from its Jewish roots and the  
emperor's influential sister inspired to the  
concept of an exalted, rather sacred Vir-  
gin-Mary, the Queen of God, soon the day  
of her birth, the feast of the Virgin Mary.

Ever since, Maria's story, a constant source  
of passion has surrounded Mary. That sense  
of union between Virgin and mother

As the role of Our Lady of Guadalupe shows, Mary was deemed to become the regnant Catholicism's transformation into a global faith. It was a role first honored during the conquest of the Americas, 70 years from the *Book of Genesis*, a 700-year struggle that had

"In Belgium, Mary is the indigenous people in whom you have Latin America, the image of maternity as an universally recognized of powerful—carried the message," explains. "As the last in Egypt, Mary is the main bridge to unite with all natural things." The image is intense. Mary is "totally committed with suffering, both experiencing it and offering solace for it." It's that attitude of the successful mother—captured in marble for Westerners in Michelangelo's *Pieta*—that "inspired Mary to writeback to these indigenous peoples who suffered so much at the hands of the Europeans, because for them to

transform into the milgosem—ironically equated with Mary and Jesus—the prime on the war band, and the sacrifice of family, of granddaughters, in the end, “fishermen.” Those deeds, too, must have had poignant relationships with their eventually “mother.”

There were no Marys for everyone, not just motherless clerics, in the flowering of medieval Mariology. For every image of a heavenly figure constructed by wealthy art patrons, there was a story of the humble carpenter's wife, particularly grateful to the pope and those who suffered. Her miracle stories were gathered in numerous similar collections, but only *Sprache-ten phillipin*, *Sprache-ten Mari*, stands out. It contains numerous tales not only of Christians saved from death in wars against Islamic rulers, but of Muslims who turned to the faith by Our Lady's grace. The latter has always been friendly to Mary. (Ibn

Rahim and her book around 1600, with the wonders of modern Mariology still so partially because she was losing her motherhood and European sense of religion, partly because the fish had left their mothers with the tools to metamorph the Marys they set around them. That is exactly what, among the swelling ranks of Muslim apocryphs are two in Belgium at the early 1600s, seen by both Arabic writers of the day then and they share will be in contrast to Ibn Arabi's description of the Great Mother as all-encompassing Father and Belgian village, and with a swimming mother figure (doubtless) combination of the Pietà. Considerable distances facing these children beyond concerns and the rise, just across the border, or an aggressive (and anti-Catholic) Nazi state. What once considered holy they have down? For faithful and skeptic alike, Muslim Mary always carries in story of trouble.)

After **Jerry Aebly** was shot in the head by a mugger in Ohio, doctors said he would probably die. But when a hospital porter left a nosey Eve had been blessed by the late Pope John Paul II, Aebly made an unexpected recovery. Astonishing doctors, the miracle man spoke to reporters last week before going home. The Catholic Church is said to be considering Aebly's revival as further evidence that the late pontiff should be canonized.





yesterday's dream



today's dream



tomorrow's dream

From the world's first low emission CVCC engine, to the 2010 Insight Hybrid, to the fuel cell powered FC Sport concept, we're committed to doing our part to help lower emissions, preserve the environment and support our dream of a brighter tomorrow. Because at Honda, we believe in The Power of Dreams. Learn more at [honda.ca](http://honda.ca)

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INFORMATION SUPPLEMENT

# Earth Day Canada



A catalyst for environmental change



**Earth Day**  
CANADA

[www.earthday.ca](http://www.earthday.ca)

## Save \$\$ and go green

There's never been a smarter time to go green. With the current economic slump, we're all looking for savings. The good news is we can save our hard-earned money while protecting the environment at the same time.

### Lifestyle changes

The simplest way to help the environment and save money is to make small changes to your lifestyle. Here are some tips.

**Quit up bottled water.** Bottled water is expensive and there's no guarantee that it's pure or safe (it also takes a bottle over 100 years to biodegrade). You're better off drinking tap water which is safe — and free.

**Go vegetarian at least once a week** and cut down on the amount of meat you eat. You'll save on the water and energy it takes to produce meat as well as the environmental costs of transportation. **Buy local, unseasoned beef.** You can eliminate 40 kg of greenhouse gases (GHG) per year from emissions used to transport food from distant locations.

**Make your own time-saving supplies** with simple ingredients like baking soda, vinegar, lemon, soap and water. There are a number of websites that provide recipes.

**Switch to compact fluorescent light bulbs.** They last up to 10 times longer than incandescent bulbs and use up to 75% less energy. Use dimmer switches and save 20% on your lighting bill. **Check before you plug.** Drawing 15,000 kwh a year costs six tonnes of GHG's.

**If you don't need a car for everyday use,** consider giving a car share program, or use public transit or pool, cycle or walk — you'll feel it easier to stay in shape.

**Go green with your next car** and buy a hybrid or a smaller fuel-efficient model. **Keep your car tuned up** with regular maintenance. Simply by keeping your tires at the correct pressure, you'll save 3% too fast!

**Don't speed.** You'll use 25% more fuel driving at 112 km/hr compared to 80 km/hr. Don't let your car idle for more than 10 seconds.

**Change your heating and cooling habits.** Keep in mind that 30% of your personal greenhouse gas emissions come from heating and cooling. In winter, set your thermostat to between 18°C and 20°C. For each degree you lower it, you'll save up to 3% on your utility bills.

**In summer,** maintain an air conditioning temperature of 24°C to 26°C. You'll save on the A/C bill which, on average, runs \$70/month.

**Install a programmable thermostat** to automatically regulate temperatures, you'll save money while you're asleep or away. Your investment will pay off itself about one year. **Turn off cell phones.** They're more energy-efficient than portable electronic fans. They cost about one cent for two hours of operation, compared to 17 to 25 cents for a 10-watt air conditioner and 67 cents to \$1 for central air.

**Instead of using your A/C** to cool your house, use the humidifier or open the windows at night.



### Insulate your space

You can save up to 30% of annual heating costs by eliminating drafts in your house. Check windows, doors, fireplace dampers and window or conditioning units and insulate with caulking, seals or plastic covers. Wrap water heaters with an insulative blanket and save up to 10% on water heating costs.

### Outdoor tips

**Catch rainwater in a barrel** and reuse it to water your garden.

**Plant evergreen trees** on the windward side of your house, to keep your home warmer in the winter and shady in summer.

**Use a clothesline** or rack to dry your clothes.

### Reduce paper and plastic

For every 280 billion sheets of paper we save each year, we can save 34 million trees. What better reason to go paperless? (Earth Day Canada's new SAVE TREES NOT PAPER! environmental website is aimed at making it easier for Canadians to give up their paper habits. Earth Day Canada has partnered with Dry Inkless Solutions Inc., producer of e-filing software (Electronic Filing Cabinet for Documents) to offer Canadians special discounted software to ease them into a paperless world. Visit [www.electra.ca](http://www.electra.ca) for details.

**Before junk mail** by registering with [www.rejectjunkmail.ca](http://www.rejectjunkmail.ca). You'll save yourself about 450 pieces a year.

**Sign up for electronic billing** for your household and credit card bills and online purchases.

**Take one-life-only reusable tote bags** to the supermarket. You'll help curb environmental damage from plastic bags and save on the fee some stores are charging for plastic grocery bags.

### Consume less and save more

**Think before you replace items.** Do you really need to upgrade that iPod or cell phone? Swap or sell items you want to get rid of. Instead of looking up the landfill, visit flea markets, garage and estate sales or consignment shops. There are a number of popular websites where you can buy and sell stuff.

► Check out [Craigslist.ca](http://Craigslist.ca) and [Kijiji.ca](http://Kijiji.ca). **Remove unwanted oil buying.** Join your local library for books and rent DVDs instead of buying.

**Start a neighbourhood tool set-up** to share power tools and gadgets. **Run electricity audits** and replace lights on a power bar and switch it off when they're not in use. Appliances that remain plugged in draw phantom electricity and can add 10% to your electricity bill.

### Look into government incentives and rebates

There's a wealth of savings for homeowners who want to update the heating/cooling, home appliances, windows, doors, lighting and insulation in their homes to become more energy efficient.

Start with the federal Ministry of Environment website for offerings in the different provinces. Visit [www.ec.gc.ca/energy-efficiency/energy-efficiency-eng.asp](http://www.ec.gc.ca/energy-efficiency/energy-efficiency-eng.asp) and [www.homeperformance.ca](http://www.homeperformance.ca). Natural Resources Canada's Office of Energy Efficiency at <http://www.ene.gc.ca> also offers information on grants and incentives for

rebating your home to make it more energy efficient.

**Rebating your furnace with a high efficiency ENERGY STAR® model** is worth \$1,025 in government rebates. For homes with two furnaces, the rebate is the second furnace a \$625. Replacing a 15-year-old furnace with a new ENERGY STAR® furnace will save you over \$150 a year in energy costs and 1.4 tonnes of CO<sub>2</sub>.

**By purchasing a tankless water heater** you're eligible for \$500 in government rebates. They're 30% more efficient than conventional water heaters because you aren't heating water that you're not using. Annual savings are about \$300 and 8 tonnes of CO<sub>2</sub>.

**Take advantage of the new Home Inspection Tax Credit** to replace your old furnace and water heater for more energy efficient models. You can recover 15% of the cost — from \$1,000 up to \$9,000 for a new furnace tax credit of \$1,350. The program runs until February 1, 2010.

**Get a home energy audit.** This way you'll find out how much energy you're wasting and how you can boost your home's energy efficiency by 15%. You'll also be eligible for up to \$10,000 in government grants and incentives for approved upgrades you make.

**Green Appliances Buy ENERGY STAR® appliances.** You'll save on energy consumption and you could qualify

for a government grant or incentive. Visit [www.ene.nrcan.gc.ca](http://www.ene.nrcan.gc.ca) for more information.

**Get rid of old energy-wasting fridges.** The Great Refrigerator Roundup is a program offered by the Ontario Power Authority. We'll pick up old fridges that meet their criteria. To find out more, visit [www.ogrrfridgeontario.ca](http://www.ogrrfridgeontario.ca).

**Save water.** Replace old toilets with low-flow toilets and get up to \$100 in government rebates per toilet for information, visit [www.homeperformance.ca](http://www.homeperformance.ca).

**Investigate whether your home is suitable for a solar water heater.** You'll save from 50 to 80% on energy costs and drastically reduce your CO<sub>2</sub> emissions. You may also be eligible for a government rebate of \$1,250.

**Buy a front load clothes washer.** They use 85% less water and require less electricity to operate. Wash only full loads of laundry and use cold water.

**Find out how much money you will really save.** Sign up for Earth Day Canada's EcoAction Teams at [www.ecoactionteams.ca](http://www.ecoactionteams.ca). There you'll find a free comprehensive assessment calculator that offers easy-to-do tips that will shrink your carbon footprint. You'll get personalized reports on your greenhouse gas emissions reductions and other savings.

The calculator will guide you through 50 measurable actions and hundreds of handy tips. You choose how much information you provide (e.g., your energy bill from last year) to get more accurate reports on your savings. When you sign up for the calculator, you can join a team, create a team of family or friends, or go solo. ►





**PRIUS<sup>3</sup>** Toyota Canada is proud to introduce the all-new 2010 Prius. When it arrives on Canada's roads this summer, it will set the standard against which all other hybrid cars will be judged. Redesigned to be even **more fuel efficient**, the third generation Prius features over **1000 new patents\*** and it is the first Toyota hybrid to offer three different driving modes: EV-mode,

Eco-mode and Power-mode. And with over **one million of them sold** worldwide, the Prius continues to be a model of reliability. The Prius embodies our commitment to continuous improvement and this commitment lives in our support of tomorrow's environmental leaders through our partnership with the Toyota Earth Day Scholarship Program. Every day is Earth Day<sup>®</sup> in a Prius.  **Earth Day**  
CANADA

# Earth Day Canada's Hybrid of Choice.



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<sup>3</sup> The wordmark "Earth Day" is a registered trademark of Earth Day Canada (EDC) Inc. has been used with the full permission of Earth Day Canada.  
\*1000+ patents pending and registered

## Earth Day Canada

### A catalyst for environmental change

**Earth Day Canada (EDC)** has been a guiding force for environmental change in Canada since 1990, promoting sustainable values, actions and solutions. Every April 22, some six million Canadians and virtually all students in the country participate in an Earth Day activity. There are now so many Canadian events and projects that Earth Day has grown into Earth Week and even Earth Month.

The struggling economy has forced people to make smarter choices about how they spend their money, says Joel Goldberg, President of Earth Day Canada. "People are realizing that it's possible to save money and lessen their impact on the environment at the same time. There are so many simple, easy things you can do that don't take time or money — all we have to do is make them part of our everyday lives. At Earth Day Canada we can give people the tools to do this."

EDC works with all levels of society — from educating children, to recognizing the environmental efforts of communities and business individuals and groups, to partnering with government on environmental initiatives, to working with educational institutions. EDC was named Canada's "Outstanding Nonprofit Organization."

"People are realizing that it's possible to save money and lessen their impact on the environment at the same time" — Joel Goldberg



Each September by the Canadian Network for Environmental Education and Communication (CNEEC). The organization was recognized for its extensive suite of year-round environmental programs, engaging people of all ages in support of a healthier environment.

For organizations or communities who want to take action, EDC's web site [www.earthdaycanada.ca](http://www.earthdaycanada.ca) offers all of the resources needed to lessen your impact on the planet. Check it out. ■



Earth Day  
CANADA

## Vancouver importer — encourages carbon neutral shipping

**An ethical importing company** from Vancouver recently made national headlines and was featured on CTVN for a project that combines humanitarianism and sustainability.

Last fall, Beachburns Import Company Ltd. began bringing into Canada handcrafted furniture made from red and protected oak that was salvaged from boats destroyed in the 2004 tsunami. The big difference — the shipwrecks are carbon neutral under the company's CO<sub>2</sub> Carbon Offset Delivery Program. True to the environmental values of the company, the furniture is imported as a stowaway in 40-foot "carbon neutral" containers that are already filled with its main other product, ecofriendly certified "green" building materials.

To Beachburns, the most important environmental benefit is allowing poverty, says Mary Mason, a director of Beachburns and founding president of

Earth Day Canada in 1991. "Our micro-economic, value-added model pays a higher wage, provides benefits and meals, and pays attention to working conditions. This trade relationship supports 2,400 people and has helped some tsunami survivors recover economically. There's enough work to keep them busy for years."

The furniture, which ranges from cabinets to benches, is reasonably priced and in demand from exquisite homeowners. The only proviso — as a condition of purchase, anyone receiving shipping anywhere beyond 50 km of Vancouver must show how they will offset the carbon debt of transport. To help, Beachburns asks that the purchaser join Earth Day Canada's



EcoAction Teams program so they can calculate the greenhouse gas (GHG) emissions associated with the shipping of their purchase and learn how to reduce their overall carbon footprint. When the buyer shows Beachburns that their actions have resulted in a reduction of GHG equal to the carbon debt of transportation, Beachburns will then ship the item. ■ <http://thebeachburnsimport.com>

## 2010 Toyota Prius — the future is now

The 1st generation 2010 Toyota Prius — when this spring — is bringing a younger and broader audience. Redesigned with a sleek and sporty look, the new Prius incorporates innovations that required over 1,000 patents to be filed. "It's the car of the future, but available today," says John-Paul Foss, consultant, Advanced Technology and Powertrain.

The Hybrid Synergy Drive, the heart of a Toyota hybrid, has been 90% redesigned to improve performance, fuel efficiency and environmental friendliness. Foss explains, "It has a larger and more powerful engine to improve highway mileage, by making more torque, the engine can run at lower average RPM on the highway and use less fuel." Compared to the current

generation of Prius, it's 22% more powerful and uses 7% less fuel. We refused to compromise on performance or fuel efficiency. This car has both."

Drivers can now choose from three different driving modes. Foss says, "The EV mode runs the car solely on battery power at lower speeds for about 1.6 km. The Eco mode offers a more fuel-efficient drive, while the Power mode delivers a "more powerful feel."

Other new high tech features include LED headlights, a solar powered ventilation system and the world's first remote air conditioning system: sponsored from a key fob. The interior is more spacious with a redesigned console that's more user-friendly and there's a larger trunk. ■

\*Select prices, pending car equipment



The 2010 Prius will be at its youth Green Living Show in Toronto at the Grand Gateway Centre Exhibition Place from April 24-26.



## invitation Earth Day Canada Gala

Saturday June 19th, 2009  
Where: the Drake Hotel, Toronto

contact

Hold Reception at Earth Day Canada, 416.355.1201 x304  
or visit [www.earthday.ca/gala](http://www.earthday.ca/gala)  
for sponsorship information or to buy tickets

Hosted by Canadian Style Culture and produced by Mark McInnis, a Saturday Night Live veteran, the event will feature The Sultans of String, an original World-Jazz-Funk band. World-renowned chef Michael Smith of the Egonmeyer Firm will oversee the menu. The event will be held on all three levels of the Drake, including the rooftop patio and street side patios. Funds raised will directly support Earth Day Canada's environmental programs. ■



## EcoMentors get a lesson in e-cycling

**Take Your Kids to Work** they recently took on an environmental focus at Sharp Electronics of Canada Ltd. A longtime supporter of Earth Day Canada's program, the electronics company hosted a group of high school students, employees and their children to show how they can make a difference by adopting a more eco-friendly lifestyle.

The day began with Sharp sending a bus to pick up the EcoMentors at their school – Glenforest Secondary in Mississauga, Ont. Next it was onto Sharp's offices to meet up with company employees and their children and learn about Sharp's environmental focus. "As leaders in the development of energy saving and energy-saving products, Sharp Canada is proud of its association with Earth Day Canada's EcoMentors program. We were especially pleased to host students at our facility and expand their knowledge about environmental issues and how businesses and individuals are taking action," says Catherine Crozier, president Sharp Canada.

The next stop was a visit to Sims Recycling Solutions in Brampton an electronics recycling facility used by Sharp. Students and EcoMentors saw how various electronic goods were disassembled, shredded, and sorted, and learned how Sims is able to recycle even the dust that comes from shredding the different materials.

"The EcoMentors were pretty inspired on the bus ride back," recalls Josh Stevenson, EcoMentors program manager. "They talked



"At Sharp Canada we were especially pleased to host students and expand their knowledge about environmental issues."

— Catherine Crozier, President, Sharp Canada

about ways they could incorporate what they learned into their lifestyles, and were doing an 'e-waste recycling drive' at their school."

Glenforest EcoMentor club leader Joanne Parry says EcoMentoring other students has inspired her to pursue post-secondary education in environmental biology, followed by teaching. Her co-leader Sherry Lu says it's rewarding to see the public school students she mentors realize the importance of the green movement at such a young age. "EcoMentoring has fuelled my desire in continuing to make a difference in the green movement," she adds. ■

## David Donnelly — man on a mission

**David Donnelly** has an environmental stunt that appears endless. The Toronto-based Environmental Defence lawyer and winner of Earth Day Canada's 2008 Horntown Heroes award, works tirelessly on a variety of eco-causes. The award goes to a person or group demonstrating "outstanding environmental leadership, commitment and achievements in their communities."

Donnelly cut his teeth as an

environmentalist during his eight pressure-filled years as executive director of the Canadian Environmental Defence Fund (now Environmental Defence). From there he made the non-traditional move of enrolling in law school in 1996 (Donnelly laughs as he recalls his class change: "I'm the only person I know who went to law school as an antidote to burnout").

Over the years he's represented public interest groups and organizations on a number of high-profile environmental cases: The Oak Ridge Mooren Creek housing in Richmond Hill, the Walkerton Commission of Inquiry, and the \$10 million case Greenbelt Plan for Ontario's Golden Horseshoe, are among



"I'm the only person I know who went to law school as an antidote to burnout."

— David Donnelly, winner of Earth Day Canada's 2008 Horntown Heroes

some of his cases. He works on behalf of the Inland District Association against the Big Bay Point mega-mine on Lake Simcoe led him to take on the issue of Strategic Litigation Against Public Participation (SLAPP suits). In December 2007, the developer of the mega-mine lost Donnelly and the association. ■



# SHARP



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# AQUOS

David Donnelly continued

with an unprecedented \$3.2 million cash claim. The suit was dismissed in January, 2009. Donnelly has been working with new NDP leader Andrea Horwath on a passive member's bill to prevent developers and industries from suing people who fight unwanted projects such as the Big Day Point mega marina. "I've reluctantly become the SUAPP suit poster boy" for jokes.

Closer to home, Donnelly is an advocate for solar power and is working with Rodney Clark, known as Toronto's Cyclotron, the Toronto Energy Efficiency Office and a few others to make Toronto Canada's first "solar city." The idea started when a developer

constructed an infill house next to Clark's property and cut off a considerable amount of his sunlight. To compensate for the loss of sunlight, Donnelly and Clark negotiated "an environmental amenity agreement" with the developer in the form of a solar thermal unit. Once the unit is installed, Clark can heat his water with solar power. His goal is to take a solar shower in time for the Ontario Oyster Festival in July.

"Currently there is no real 'right to light' protection for homeowners and we want to change that," Donnelly says. "This was a creative solution and a model settlement derived thanks to Rodney and a progressive developer." ■

## One Simple Act

The Government of Alberta and Earth Day Canada (EDC) established a partnership in 2006 to help Albertans take environmental action in their homes. Alberta's One Simple Act and EDC's EcoAction Teams programs support and encourage individuals and households to adopt environmentally friendly lifestyles and help achieve new social norms when it comes to energy efficiency, waste reduction and water conservation.

"We're very excited about our partnership with Earth Day Canada. The household conservation calculator will allow Albertans to see the impact one simple act can make in support of the environment – and their wallets," said Alberta Environment Minister Rob Rempel. "It's a great way to set tangible results and encourage Albertans to do even more."

One Simple Act is encouraging communities across Alberta and Canada to partner with EcoAction Teams and involve their residents in supporting a healthier environment. Visit [www.one-simple-act.ca](http://www.one-simple-act.ca) to see how they are creating a movement of environmental action in Alberta communities. ■

## Wetheads – great ambassadors for marsh conservation



**Wetland education starts early in Sackville, New Brunswick.** Thanks to the Wetheads, a dedicated group of high school volunteers, local students as early as grade four get up close and personal with flora and fauna at the Tentative Wetlands Centre. The Wetheads – 2008 finalists in Earth Day Canada's HomeTown Heroes awards – promote wetlands conservation at the world famous Tentative Marshes through unique educational programs.

Founded in 1997 at Tentative Regional High School, Wetheads now has over 100 members who deliver education to

4,000 students a year. The group's work is nationally recognized as a model of environmental education. They have also helped restore a 15-hectare marsh and enhanced the site for wetland wildlife.

Brendon Hicks, now a forest and wildlife technician student at the Maritime College of Forest Technology in Lunenburg, was a Wethead for four years. "Wetheads have a passion for the natural they teach," he says. "They present the programs in a very hands-on way to engage all of the senses. Visitors can smell the marsh, they handle invertebrates and waterfowl. It's an

educational experience that can't be duplicated by a textbook."

The mentoring of the older students is what makes a difference as well, he adds. "The enthusiasm the Wetheads put into their presentations is contagious. Making students want to answer questions, learn something new about wetlands and most important, come back to the centre and explore the wetlands on their own. Many visitors leave the centre with a whole new perspective on the importance of wetlands and share their knowledge with family and friends." ■

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## THE BACK PAGES

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WELCOME  
TO  
Winnipeg

# Dear Miss Lonelyhearts

The exotic dilemmas of working-class Winnipeg provide fodder for the earthiest advice column ever BY NICHOLAS KOHLER

help

Canada's longest running and perhaps best read advice column is a single 56-year-old former supermarket attendant writer who fields queries so elaborately detailed they at times strain credulity.

Maxine Scurlfield, the Winnipeg Star's Max Lonelyhearts since 1966, is an anomaly in an age when such columns are frequently misanthropic affairs, syndicated across the country from beacons of wisdom like *Reverie* or *Vancouver*. "Mine are so local it would hurt to advertise. I tried several times," says Scurlfield, who receives letters from the likes of *He's Not the Boss of Me* in St. Vital, *Angry* and *There's a River* in Highways and *Plaided Back Injury* in *Winnipeg*. "I'm not back playing squash, and my bride won't give me a month off work to recover," complains *Painful*.

The *Winnipeg* can be as exotic as the *Winnipeg* district from which they emerge. "I love my husband," writes *Expensive Stripes* in East Kildonan, "but I love my girlfriend too." From St. Boniface, *Messed Up Red Women* reports the "new dating the wash and found several pairs of panties that didn't belong to me. When I confronted my boyfriend, he said very slowly that... they... he begged... in... he's... *Asks Messed Up* after him. "If I accept this, will there now be two people putting on women's underwear to go to work in the morning... or to bed at night?"

All *Alone in Winnipeg*, *Unbearable*, *Unbearable* *Homelessness* in her district. "My life in doing things in windows, the neighbours complain about," she writes. "I have never caught him, so I don't know if it's true, so I always back him up that in my heart I know he's doing it. He swears on the life of his

mother he doesn't do it, but two different neighbours in the apartment near door have complained to my superintendent. No one has proved things because I don't either something to have to go to court for." *None* says the true tragedy of her circumstances for her doing this. "I love him and I don't have anybody else in the present."



MAXINE SCURLFIELD HAS BEEN MAX LONELYHEARTS SINCE 1966

In another letter, printed beneath the heading "Bastards" as by *they* *secret* *submissive* by night," *Just Shouting*, writing from down town Winnipeg, explains that "I want to and serve my Maxine as a male submissive and I love my job. When she's at work, I slip in and show her love. When she's at home, I rub her back and give her pedicures." He adds of this lady—but overemphasized—police. "Once in a while she allows me to service her sexually... My vanilla wife doesn't know

about this, and doesn't need to know, as Maxine never allows intercourse, so I'm not endangering my wife's health."

Sometimes uncharacteristically—the calls radio personality Dr. Laura *Michelle* singer's as the phobic language "nurse" and pedicure as to leave her pedicures "feeling demoralized or upset or hurt"—*Scurlfield* fantasizes at the notion that *Shirley's* fantasies into madness don't constitute insanity. "Seriously, that seems like a win-win, except for the pretty case of your wife," she writes. "It's not fair to her, so this is cheating, *unbearable* or not."

*Rejoice* *Rejoice*, 72 and newly retired in South Winnipeg is just her name, writes. "I got a breast enlargement before my wedding to please my husband who loves big breasts, and now he's complaining they're too big." *Habitly* now says he "kind of preferred the smaller one" and complains the new breasts "aren't very high."

*Asks Rejoice*. "Where does he expect them to go, when they're this big?" *Scurlfield* is quick to answer in on the rub of the matter. "Imagine if you'd asked your fiancé to get a penis enlargement," she writes. "This is our marriage is a deal, deal. Call it young and there are no children to hint."

An altogether different concern preoccupies a *Winnipeg* couple, arguing off as *Just White Friends*, *Not An Orgy*. *Rejoice* to the very after a time in a small town, the pair can't seem to meet new people. "Everyone is so busy," they complain. "Any time we get fire edily, someone coffee or drink and wait soda things with other couples, they look at us with a busy episode. It's like they think

we're looking for an agency. We signed Winipeg just because people want to hang on, doesn't mean they want to have sex with you!" It's not the first time Scarfield has heard the one. "That's yet another example of a couple who feels that asking another couple to spend time is seen as a sexual proposition," she writes. "When did Winipeg arrive at this self-point?"

Nor does Scarfield limit herself to questions of sexual etiquette. *Grounds Out in Downtown* has a problem with a girlfriend that presents itself at the dinner table rather than in the bedroom. "I'm sick to death of my new girlfriend's way of chewing her food. She has a breathing problem, and has to breathe through her mouth while she eats," *Grounds* explains. "She chooses to talk when she can while eating the food is falling out of her mouth and rolling around on her tongue and sometimes falling out while she carries on a complete conversation."

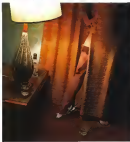
*Grounds* has already hit upon one strategy. "It is counter-ways to her now at dinner so I don't look directly at her anymore," he says. But it's not enough. "Even my family noticed they just looked back and forth at each other and my little sister stopped eating to watch her. Please help!" Scarfield recommends something-but action, too. "You might also suggest, very tactfully, she stop talking when she's eating," she writes. "Little white lies can get very big, and bring a new relationship down."

Letters like that, and Scarfield's common-sense guidance—"my motto is giving people advice they can actually take," she says—are so widely read that the columns routinely compute four or five places in the *Winipeg Star's* online top 10 ranking of stories. "I guess it's the popcorn," says Scarfield, whose following breaks back to the days when female journalists did little but dole out advice as "agency assets" with reader tips in the columns. Since then, notes Ann Kuchala of Yorkton University's school of journalism, "the traditional agency assets seem to be losing their grip precisely because they represent an era of sensitivity and conservatism and common sense that isn't much affected by our society anymore."

Creators of a bygone age of politeness, advice columnists now find themselves lost in a bloodless, frequently Internet-sifted privacy. It's absurd that many are suffering from a loss of confidence—what's my account for the blandness of Scarfield's words. "I was recently on the receiving end of an email complimented felt hair and disapproving," one man, directly identifying himself as Subject: It's Over, recently wrote to Josey Vogels, whose

Dating Girl column runs in papers across Canada. "Thank you," she replies. "I agree that a breakup by email with someone you've been to more than once or twice is just plain mean. Putting yourself as a communications go through the difficult aspects of relationships is what makes us grow and learn."

That's pretty accurate stuff compared to typical Scarfield cooing—a "lack has sorry been right out of your life" or "no one should be so desperately lonely they stick with a person who's doing dirty things out windows." What *Lonelyhearts* lacks the rest of the bourgeois large by catering to an entirely



## I hurt my back and my bride won't give me a week off sex to recover'

different audience. "We're working class town and kind of a working class paper and it's a working class column," says her editor, Dorey Stedman. "Again, common sense advice for regular people."

Some of those "regular people," it must be said, lead lives worthy of a Raymond Chandler novel. "I just got the weirdest thing in an envelope," writes Norman About Blackmail from Winipeg. "It was a picture of myself taken in the nude many years ago. I don't know who got hold of the picture

because the person who took it originally is dead and gone... What is going on?" Replies Scarfield knowingly. "If there's a cliché of these photos somewhere—and they're graphic—and you suspect that as a sample of your jewelry is blackmail—ask yourself when they would likely be sent to get you in trouble. (Your spouse, your employer perhaps?)"

Scarfield herself is from a prominent family—her brother, Justice John Scarfield, presided over Greyhound bus killer Vince Li's recent trial. Initially an English and art ed teacher, she went on to write for the *National*

*Examiner* supermarket tabloid. "I balked the day they asked me to do this story called 'Lonelyhearts' leeway pageant," she says. When she arrived at the Star, she convinced her editors that "what we need is a local agency page." For years she juggled the columns with general reporting duties, keeping her identity hidden beneath the byline Miss Lonelyhearts.

She no longer writes news, but truth and wisdom remain her main preoccupations. Scarfield answers all letters—72 a day this time of year—but not the "joke" questions sent in to bad her. "Some of them just make me say, if it comes the reason the misstatements appear too incredible—and absurd, they're not. There's a ton I can't even put in because they are too risible at two, one would think, for adults," she says.

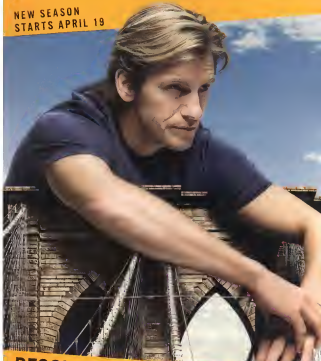
What of her own private life? Marriage, at 33, followed by the birth of two sons, deepened her columns, she says—no did a subtle quest divorce. "I understood to the depths of my soul the pain other people were going through," she says. "I am very excited to report that my children and I moved to different domains in June, and now I have my own apartment and I am looking for a wonderful new guy. Because now we can do nice in the living room!" ■



### MOST IMPROVED... SETH ROGIEN

The heavily combed-in hair and the now quiet possibility work for the reworked film minimalist as well as Rogien, who contributed the voice of "R.O.B.," said he couldn't stand men's meetings because no one brought their kids. Told me someone might go to meet them, but they don't do it together with Rogien. "Now I can say that I hate children," Rogien says. "I can say it to kids who if no kid ever came up to me, I would be more than happy."

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## MICHAEL EDWARD HAMILTON

1952-2009

## A funnyman and confessed 'mama's boy,' he landed 2,500 parachute jumps with never a hint of fear

Michael Edward Hamilton was born on Dec. 18, 1952, in Halifax. He was the second of four kids—indistinctly named Lorraine, Louise and James—born to Gerald, a member of the Canadian Forces, and Gertrude. A base boy, Mike landed over 2,500 jumps in Germany, to Calgary, Edmonton, then Port Huron, Ont., before returning to Nova Scotia, where he graduated high school in Colebrook. He attended Central in Trenton, N.J., for his high school years. Changing schools, towns and friends every three years didn't phase Mike, a "good homebody," natural athlete, says Gertrude. "He loved having snow!"

His parents pushed hard to dissuade Mike from following in his father's footsteps. "You know the service life. Gerald got a taste of every town," Gertrude advised. But two weeks after picking up his diploma, Mike—a confused "mama's boy"—signed up. At first, Gertrude didn't believe him. "He was always dancing around," she explains. Before her head stopped spinning, Mike was off to basic training in Cornwall.

From 1985 on, Mike was a mascot bear, the trademarked symbol of elite airborne forces. He was a jump-drill rigger—a jumper who set the perfect and intricate stunts, says fellow rigger Ken Harris, who calls it "the ultimate in quality control."

At 27, when stationed at Frobisher Bay, Mike met Shirley, who moved to nearby Foxboro. Their first date began at her grandfather's, where Shirley was living. On the way out the door, he grabbed her in a quick hug and whispered to her ear, "I'm going to marry you." Within a year they were engaged, and on May 2, 1993, wed at St. George's, the lake chapel. Two children, Alexa and Cole, soon joined Lorraine and Rodney. Mike's sons from a seven-year relationship that had gone south.

From 1989 to 1993, Mike served as a member commander with the Canadian Airborne Regiment, an all-volunteer force housing the military's *Expeditionary Canada's answer to the American Green Berets* (though the regiment was disbanded the day after the 1993 events of Somalia, see *Somalia Awakened*). He later joined the SkyTanks, the *Baron's* club, 15-member parachute demonstration team.

Friends with authority figures, Mike was "revived" by his peers, says Ross Propper, who received his parachute training from him

When Gen. Rick Miller, then chief of the defence staff, visited CFB Trenton, one pause was so interrupted they just stood there, silent and sweating, says Ross. Mike, meanwhile, earned on Mike he was the boy with his buddy Rick, during Miller's support for the Maple Leafs over his beloved Leafs. On receiving a medal for his overseas service, Mike, a noted funnyman, was "laughing away" and even had the officer pointing the medal on him laughing, says Gertrude. "The focus was distant," she adds. "You didn't smile; you stood at attention."

Whether in the SkyTanks or as part of the army's Airborne Trials and Evaluations Section (which develops and tests airborne equipment), Mike was always looking out for his unit—consequences he dished, says Ross. When a superior came up with a "have breakfast" idea that he thought ingenious, Mike never failed to put his foot down. (In the military, staying silent is not the same as staying silent in civilian life.) Often, a superior came up with a "have breakfast" idea that he thought ingenious, Mike never failed to put his foot down. (In the military, staying silent is not the same as staying silent in civilian life.)

Often, a superior came up with a "have breakfast" idea that he thought ingenious, Mike never failed to put his foot down. (In the military, staying silent is not the same as staying silent in civilian life.)

were sitting on a chair, dangling his feet in the water," says Ross. But Shirley had a growing concern: never his left leg for a jump. Once, in Cobourg, Ont., after a series of his left leg, Mike was hit with a "razor," a top-down swirl of wind that collapsed his chute, dropping him to earth from 40 feet. He lay wrapped in two places, but as soon as the pins and plates were in place, he was back in the air. Accidents didn't scare him.

On Feb. 16, Mike flew to Cold Lake, Alta., to test U.S.-made precision equipment destined for use in Afghanistan. After landing safely, he headed out with three friends. "With all the chattering and talking and laughing in the car," the driver missed a stop sign, and was hit by a second vehicle, says Ross. Mike, who Shirley notes had landed 2,500 jumps, bore the brunt of the impact, and died on the table at Edmonton's Royal Alexandra Hospital. He was 46.

BY HANRY MACDONALD



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